

FY2015-2016

Budget Presentation to the Board of Mayor & Aldermen

Dennis Phillips, Mayor

Mike McIntire, Vice Mayor

John Clark

Colette George

Andy Hall

Tom Parham

Tom Segelhorst



Today's Format

- General Fund & CIP
- Schools
- Utilities
- Thursday, 4:30

Jeff Fleming

Lyle Ailshie

Ryan McReynolds

if needed



The Budget Pipeline

- May City Manager charged to present balanced budget with no tax increase
- June Budget finalized (2 readings) and submitted to State of Tennessee
- July 1 Beginning of fiscal year
- Aug-Sep CIP Finalized / Bond Rating Agency Review
- Oct Annual Bond Sale / Receive Funds
- Nov-Dec Departments prepare budget requests (6 months ahead)
- July-Dec Close Out prior year, Comprehensive Annual Financial Reports & Audit
- Jan-Feb City Manager hears each department's detailed budget requests
- Mar-Apr Budget reviewed and balanced (revenue projections, wants v. needs)

In FY2016 alone, \$4 million of additional requests are not funded
(General Fund, not including Schools)

Our goal: to provide the highest quality services at the lowest possible cost



Key Messages for 2015-16

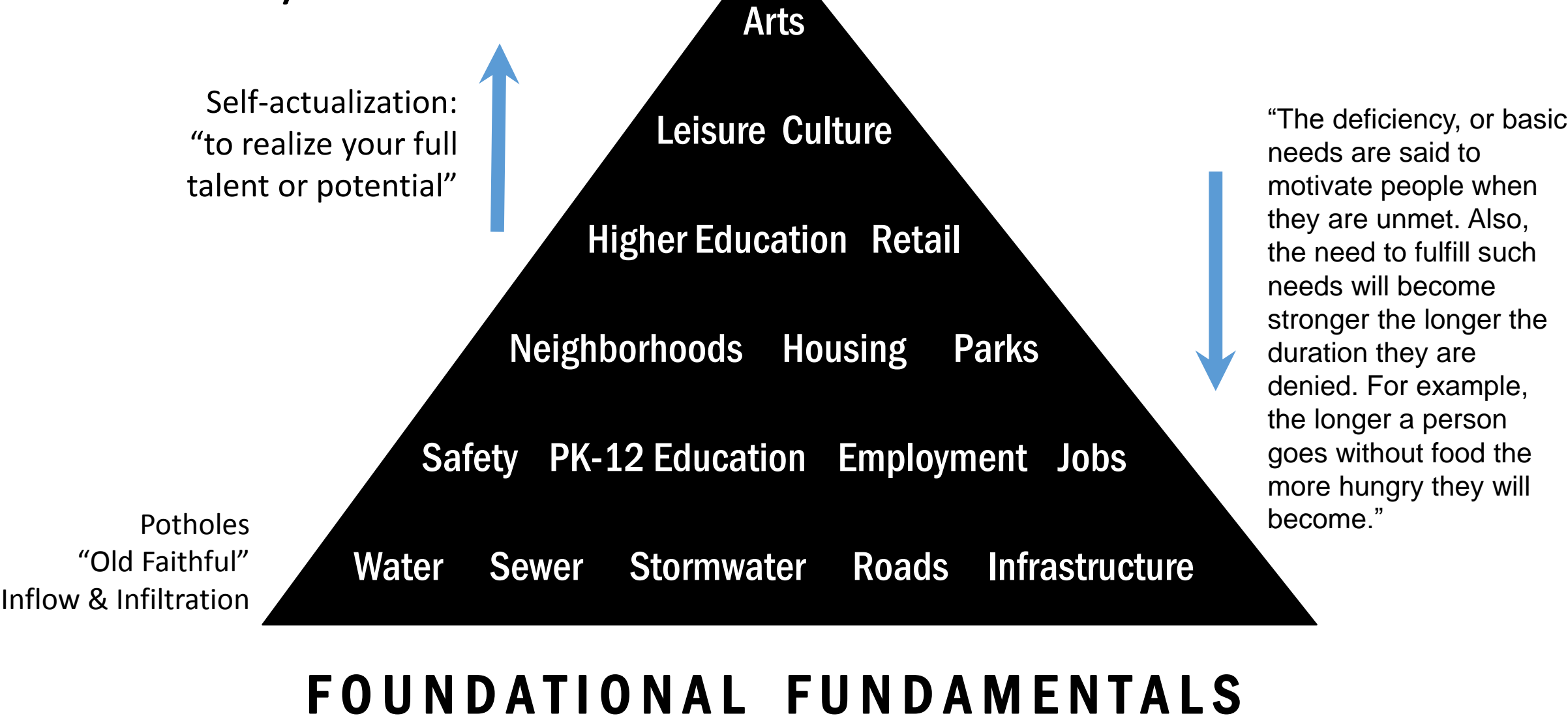
- We have:
- Prepared a balanced budget without a tax increase
- Managed within our means without adding personnel
- Driven down the number of employees per capita for ten years
- Managed escalating employee healthcare costs
- Invested in our existing employees and their families with merit step increases
- Focused on fundamentals first – infrastructure, paving, safety
- Reduced recommended borrowing by \$28.2 million
- Identified “small starts” instead of big ticket projects
- Transparency, partnerships & communications
- Bottom line: We’ve been responsible with available resources

*“Effective leadership is putting first things first.
Effective management is discipline, carrying it out.”*

Stephen Covey



Hierarchy of Needs



The Year in Review

Infrastructure:

- Commitment to Paving
- Focus on Project Management
- Safe Routes to Schools / Jackson
- Sullivan Street, Phase 2
- Rock Springs Road
- Snowstorm of 2015 / Salt
- Lynn Garden signal system
- Wilcox Court intersection
- Wilcox/Lincoln/Ped Bridge

Public Safety

- 911 Building
- Radio System (with County)
- Fire Station #6
- Fire Station #3
- Ladder Truck
- Fire Training Ground

Development

- Emphasis on Code Enforcement
- Riverbend Development
- Changes to Annexation Laws
- Brewery laws
- Annexation Services – on time
- KEDB Border Region delegation
- Pure Foods
- IntelliHARTx
- Centennial Commission
- C&F backstop (\$101,700)
- Downtown Christmas Lights

Leisure

- Rotherwood Greenbelt
- Greenbelt Extension to Cleek Rd
- Carousel / Farmers Market
- Preston Forest Park

- Library improvements
- Senior Center facility maintenance
- Ped bridge at Reedy Creek Terrace

Other

- Brickyard Park
- J. Fred Johnson Stadium
- Pal's Scoreboard Donation
- Downtown TIF to Fund Balance
- Veterans Memorial
- Climbing Wall/Scoreboard
- City Hall/Midland Center
- Care Here/Schools
- Gateway plantings



Seeds germinated, bearing fruit

Kingsport Academic Village brings 2,800 students downtown

Then and Now	1999 Summit	2010 ACS 5-Yr	2013 ACS 5-Yr
College degree or higher	18%	32%	32%
Median age	42.3	43.7	43.8
Over 65	21%	20%	21%
Median Family Income	\$30,279	\$51,826	\$53,043

Harvard recognizes city's efforts to spur education

Most residents already consider Kingsport a special place. All the same, it's gratifying that the city has been identified by Harvard University as creating some of the most innovative education initiatives in the nation.

This week in Washington, D.C., the Ash Institute for Democratic Governance and Innovation at the John F. Kennedy School of Government at Harvard University honored Kingsport as one of only six winners of the 2009 Innovations in American Government award.

The prestigious award is a recognition from one of the top universities in the nation of Kingsport's years of work in promoting and advancing higher education — from the Educate and Grow program, to the newly opened Kingsport Center for Higher Education, to the idea of creating an Academic Village in downtown Kingsport.

As Mayor Dennis Phillips noted, this incredible accomplishment will "draw attention to not only Kingsport, but the entire region."

from Carson-Newman College, King College, Lincoln Memorial University and the University of Tennessee.

Two other facilities are the Regional Center for Advanced Manufacturing to open in August with help from Eastman and Domtar, and the Pal Barger School of Automotive Technology, set to open downtown next year.

Such initiatives have already helped brand Kingsport as a community interested in lifelong learning and a high quality of life. That, in turn, has helped attract new business, retain existing businesses and retrain a labor force to meet the increasing demands of a truly global marketplace.

There are more than 15,000 economic development districts in the U.S., all equally eager for job growth. Given that enormous number of competitors, recognition by Harvard certainly helps increase Kingsport's visibility nationally, and that's an opportunity city leaders can capitalize on — along with the city's other, equally valuable, attributes.

Fact is, in this post-industrial, infor-

Education a family affair for Church Hill foursome

■ **'As long as** you're willing to learn, you will learn here.'
— Troy Christian

By RICK WAGNER
rwagner@timesnews.net

KINGSFORT — When it comes to the Kingsport Center for Higher Education, the Christian family of Church Hill is keeping it all in the family.

Dad Troy Christian, mom Teresa, daughter Kaylen and son Dustin might be the closest thing to a spokesperson for the higher ed center



and professors and among students.

"They're really here to help us learn," Teresa said of the professors, including her anatomy professor, whom she talked with as he came through a hall at the center during the family's recent interview. "You're about get to know everybody in your classroom by the end of the semester on a personal level."

Of the Christians:

• Troy has worked at Domtar for about four years. About three years ago he was hired into its apprenticeship program to become a mainte-

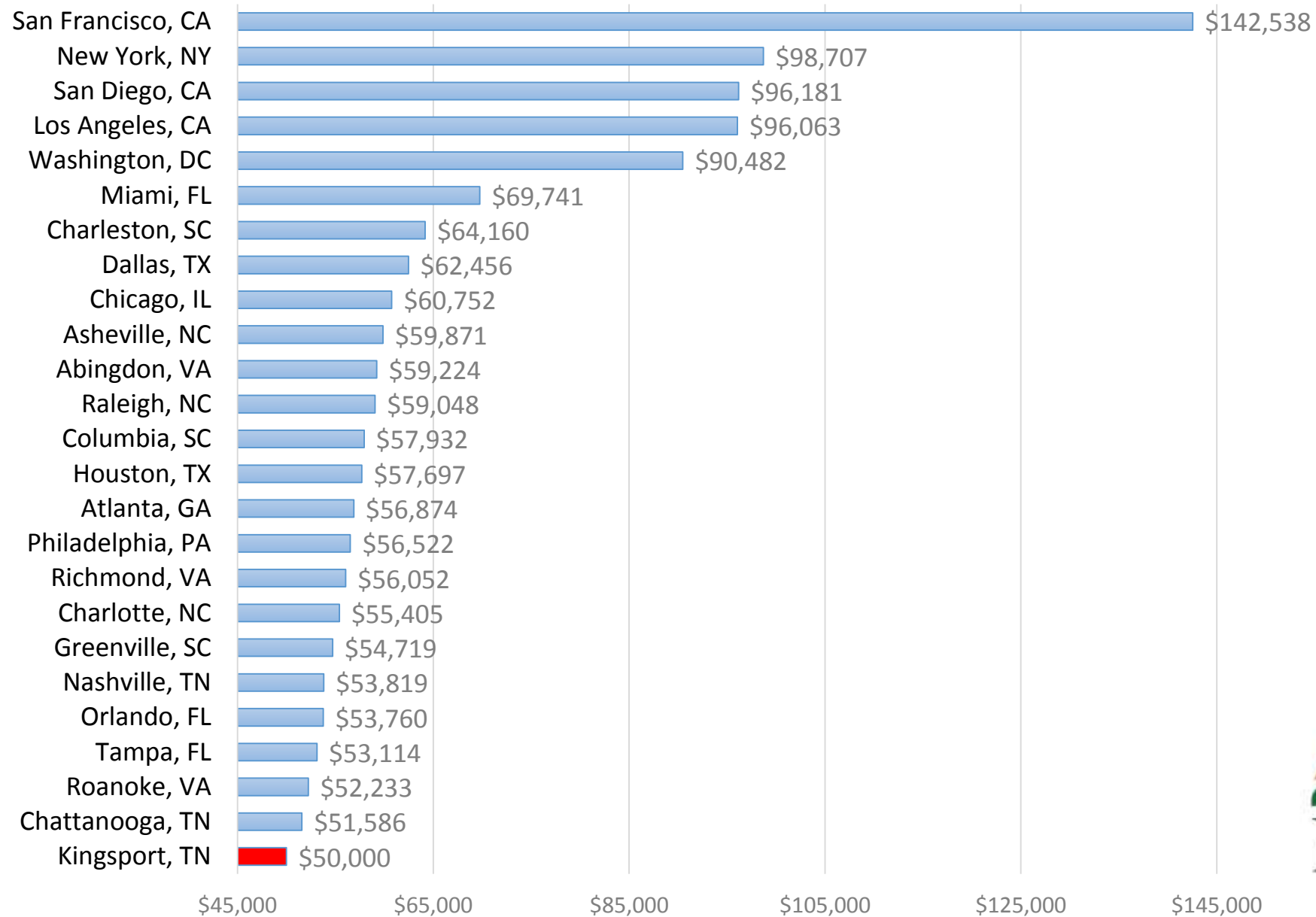


Kingsport = Low Cost of Living + High Quality of Life

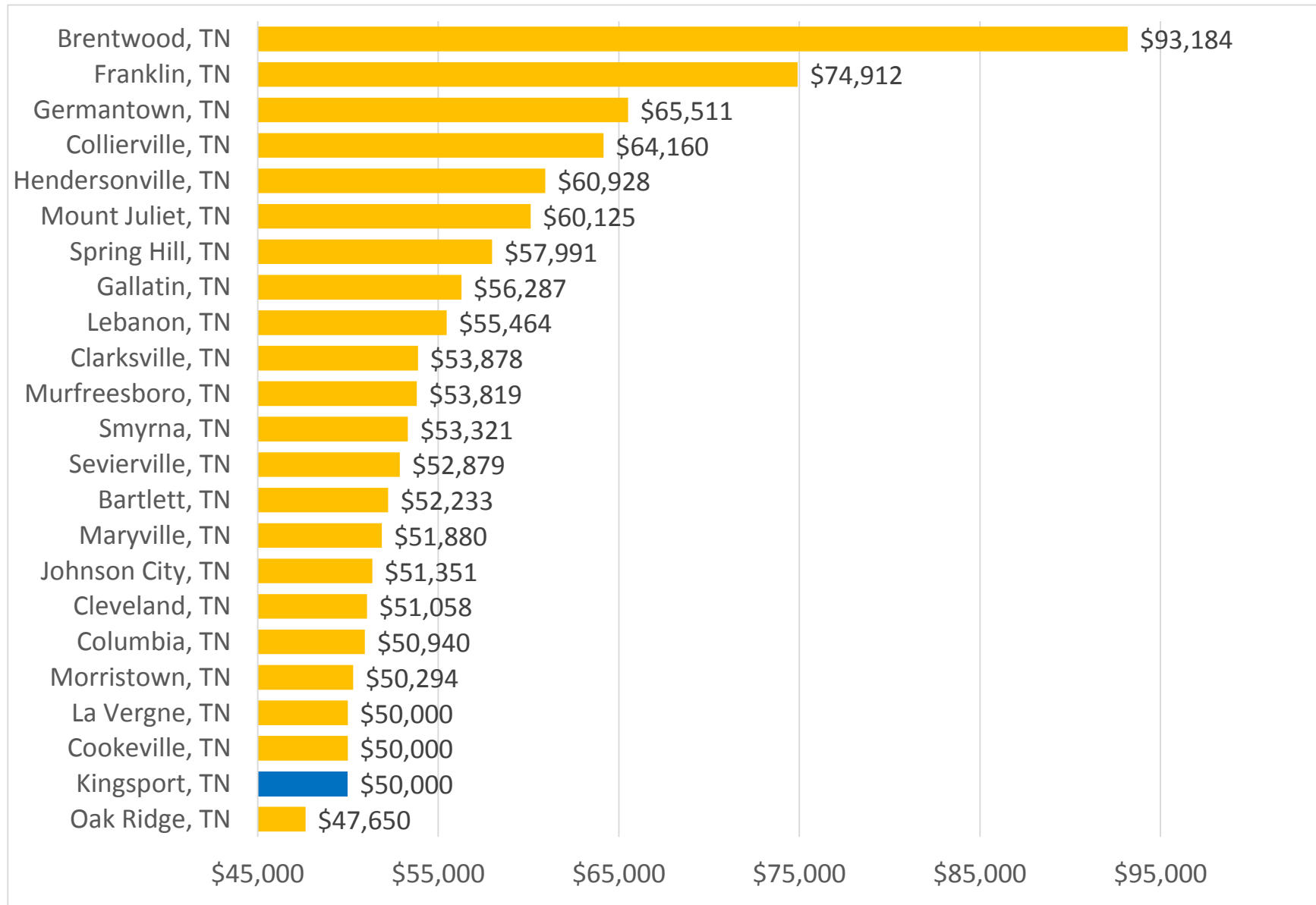
- Total City & County property taxes approximately 1% of appraised home value
- No state income tax on salaries/wages
- No special school tax
- No wheel tax
- No personal property tax on vehicles, boats, etc.
- No vehicle inspection fees
- No annual vehicle taxes of any kind
- No solid waste, garbage, trash or recycling fees
- No special district tax (fire, parks, etc.)
- Cost of Living = 15% below national average
- Unparalleled parks – Bays Mountain, Aquatics, Greenbelt, Warriors Path
- Award-winning schools – SCORE Prize & US News Top 3 public HS in TN
- Top 15 of 35,000 high school marching bands
- Internationally accredited police, fire & medical



Equivalent Cost of Living for \$50,000 (bestplaces.net/col)



Equivalent Cost of Living for \$50,000 (Tennessee)



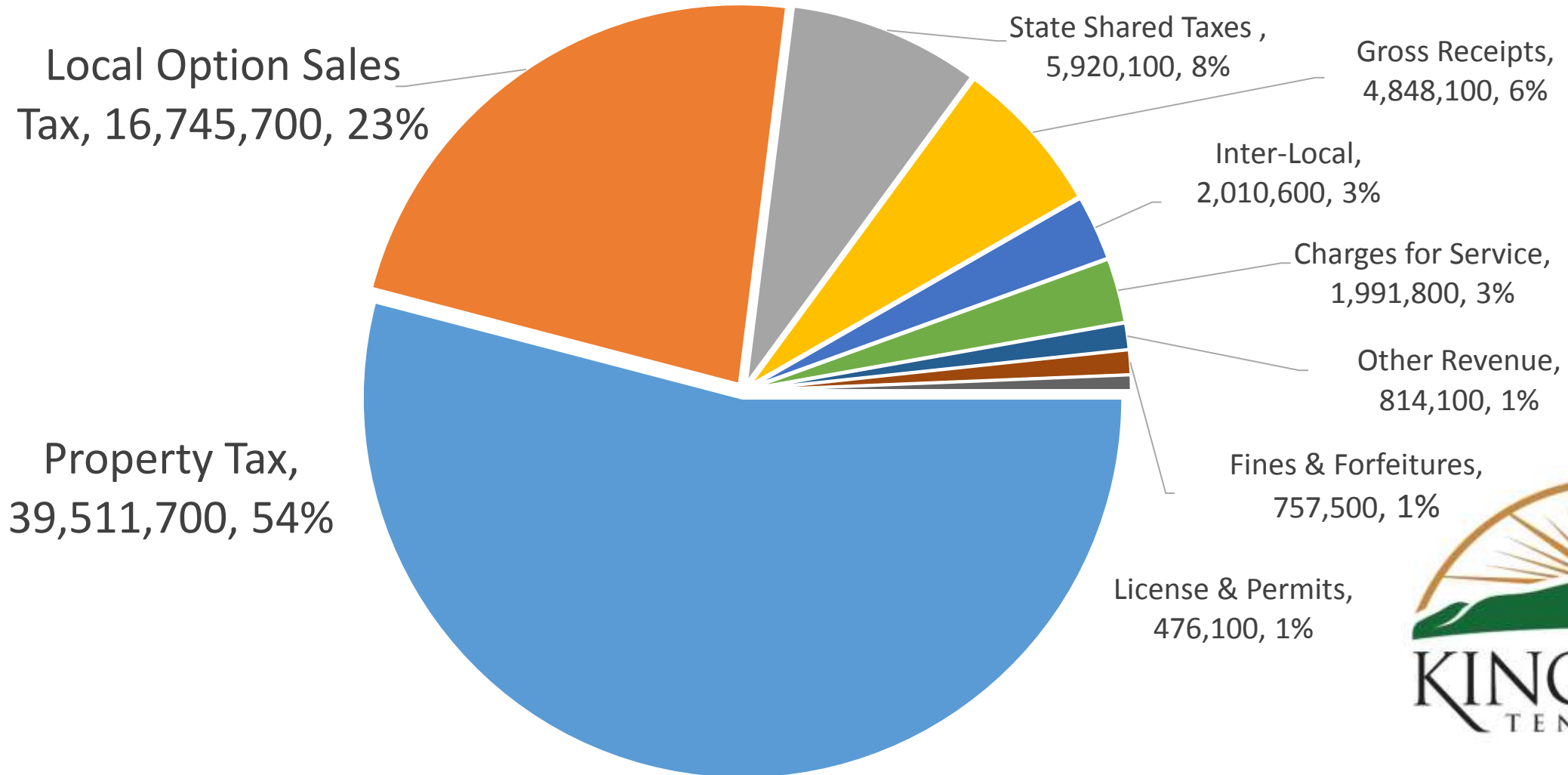
WHAT IF THERE WERE A PLACE WHERE...

- Hottest summer days were like New England, but the winter snowfall was 34 inches less?
- Annual high/low temperatures were like California's Wine Country (minus the faultline)?
- Average winter days were like Atlanta, but summers had 35 fewer 90+ degree days?
- 90+ degree days were half that of Denver (and the winters had 45 fewer inches of snowfall)?
- Lush green vegetation was naturally maintained by rainfall amounts comparable to Seattle?
- Nature's beauty unfolded in four balanced seasons?
- The natural watershed scored a perfect 100?
- Equidistant from every major metropolitan market in the eastern United States?
- Consistently one of the most affordable places to live?
- Mix in some of the nicest, most accommodating people in the world...

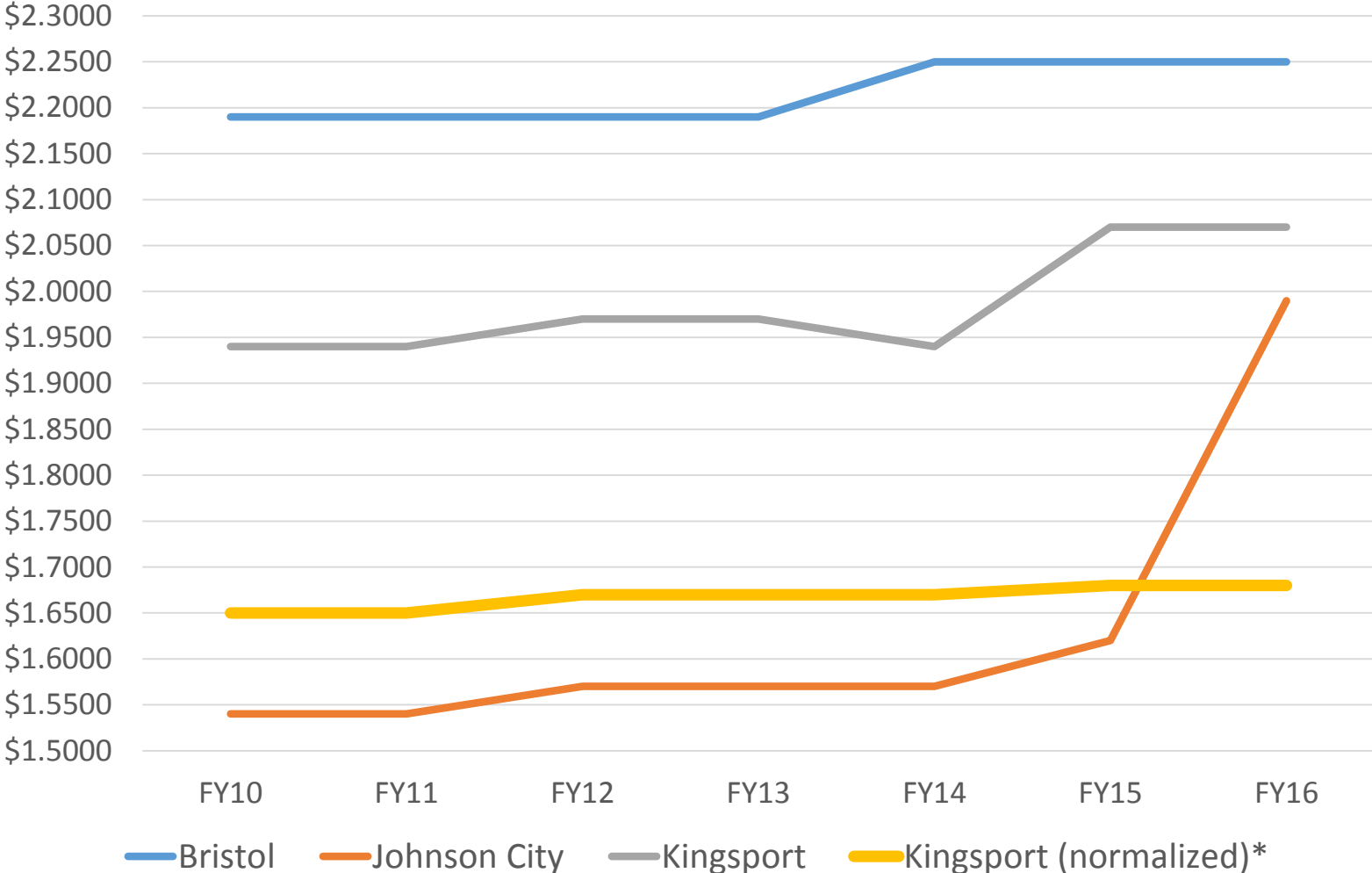
And you have Kingsport, Tennessee



Revenue: Where does the \$73.1 million come from?



Revenue: Property Tax Comparison



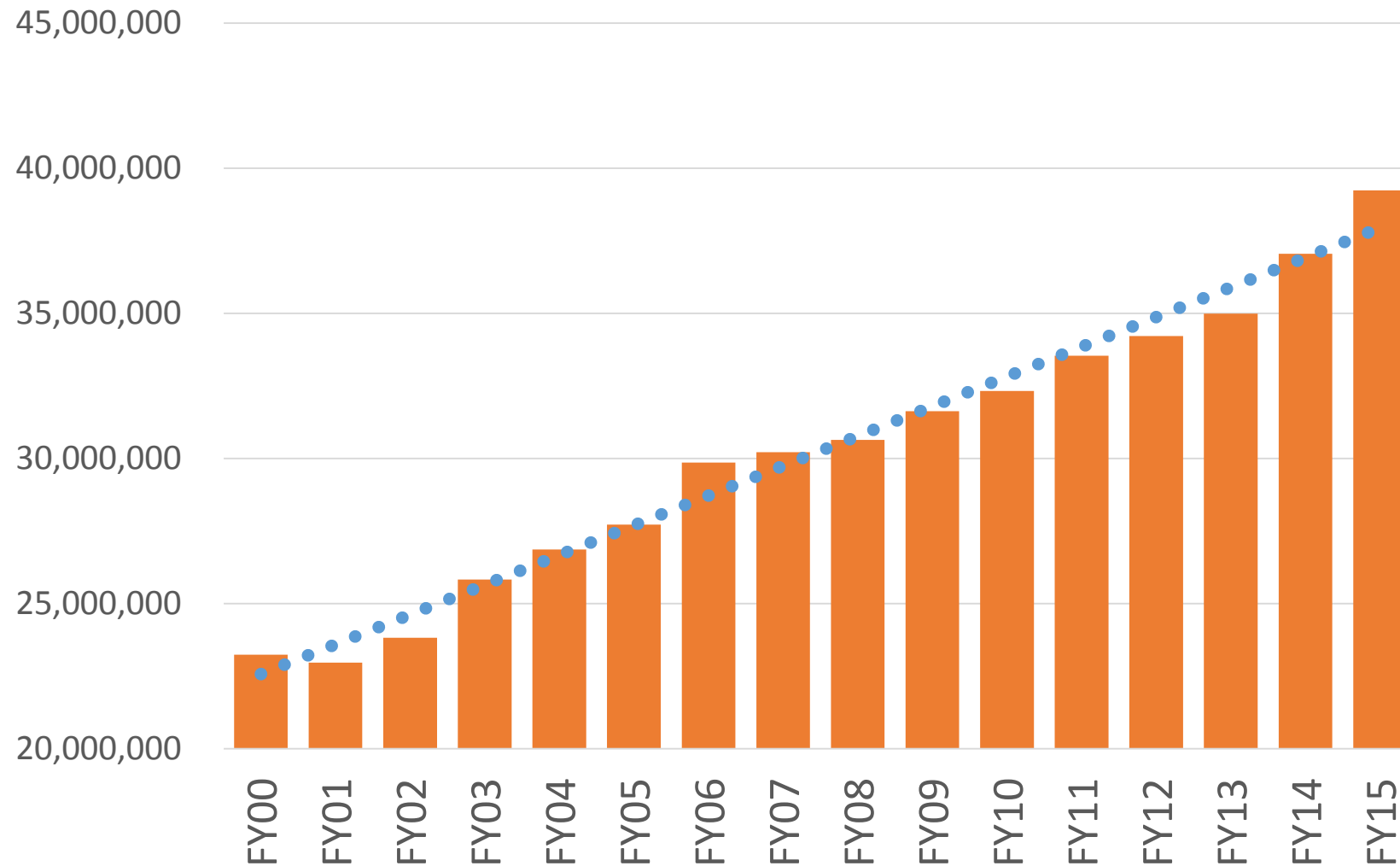
“Apples to Apples” comparison.

- Solid Waste
- Power
- Gas



*JCPress 5/8/15

Property Tax Revenue: 57% increase since 2000



Revenue increased 3.56% per year (average)

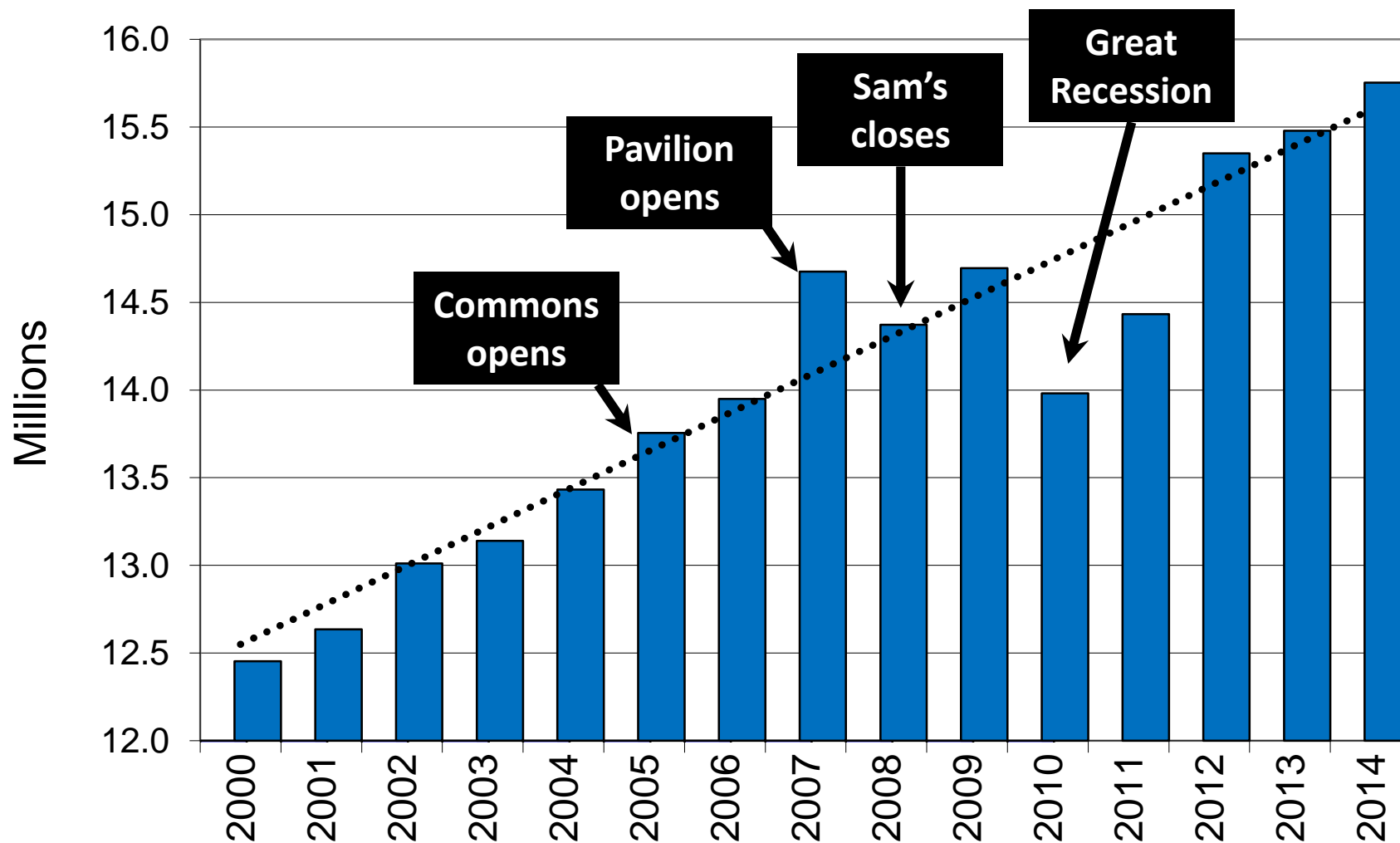
Rollback provision, favorable to taxpayers

Median house price = \$115,100

City tax = \$595 (\$50/mo)
County tax = \$663 (\$55/mo)



Sales Tax Revenue: 26% increase since 2000



Tennessee started collecting sales tax on Amazon purchases 1/1/14

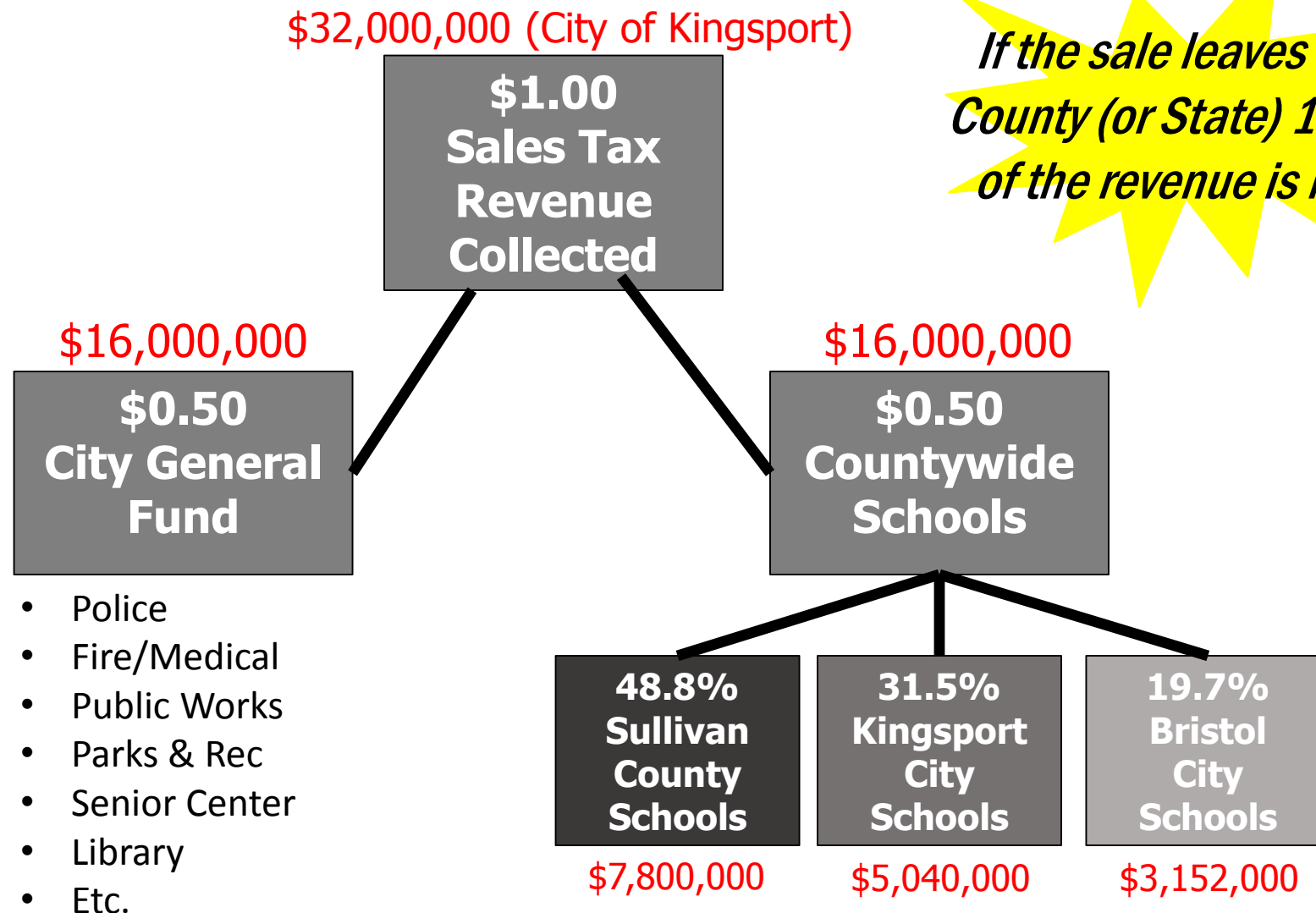
Pavilion incentive payback 1 years

Commons incentive payback 2 years

Border Region incentive through state sales tax

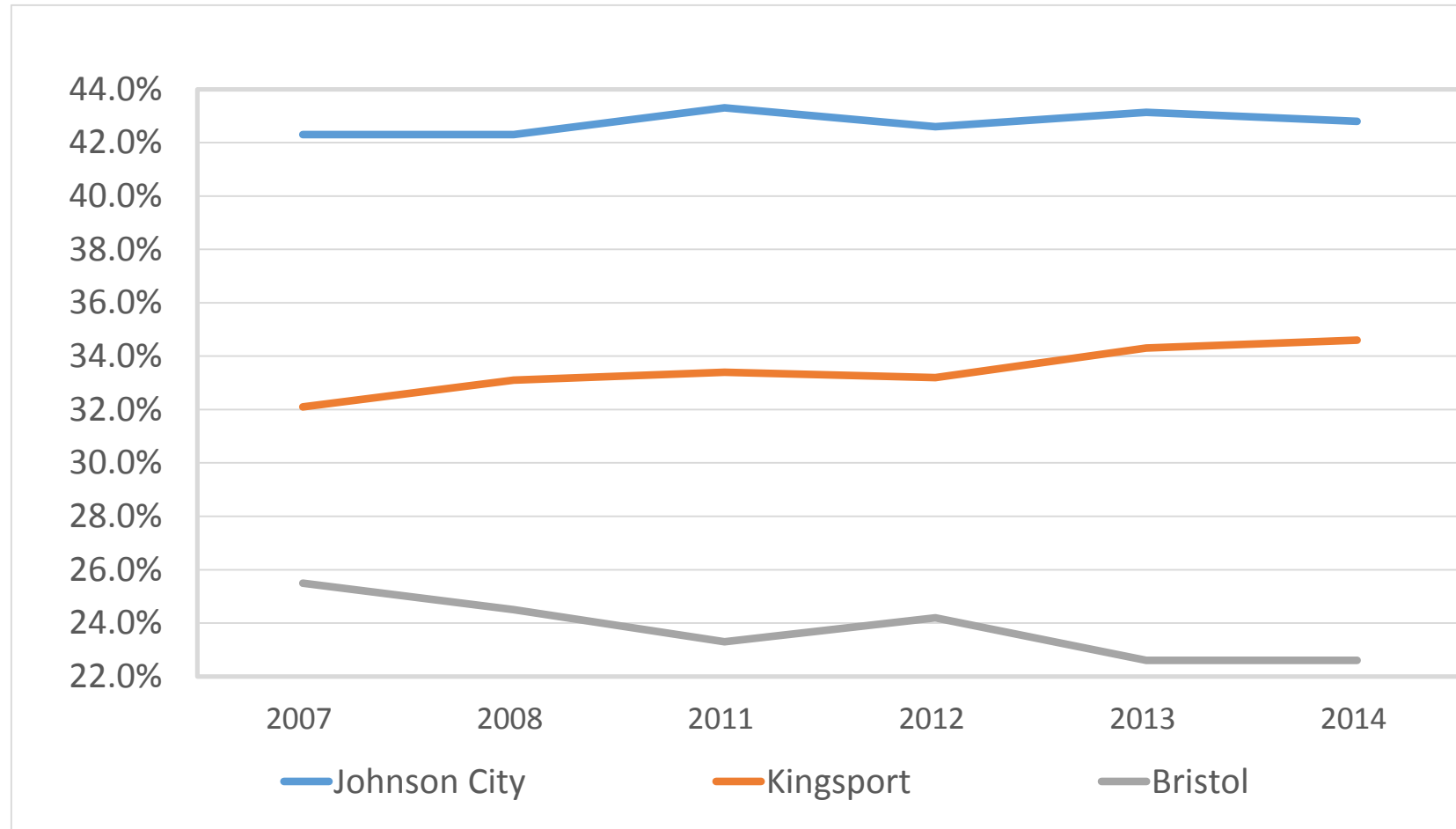


Sales Tax: How is it spent?



If the sale leaves the County (or State) 100% of the revenue is lost

Sales Tax: Market Share



Kingsport's market share increased from 32.1% to 34.6% from 2007 to 2014

Bristol's market share decreased from 25.5% to 22.6%. Expected to improve with Pinnacle & Falls

Johnson City's market share remained flat

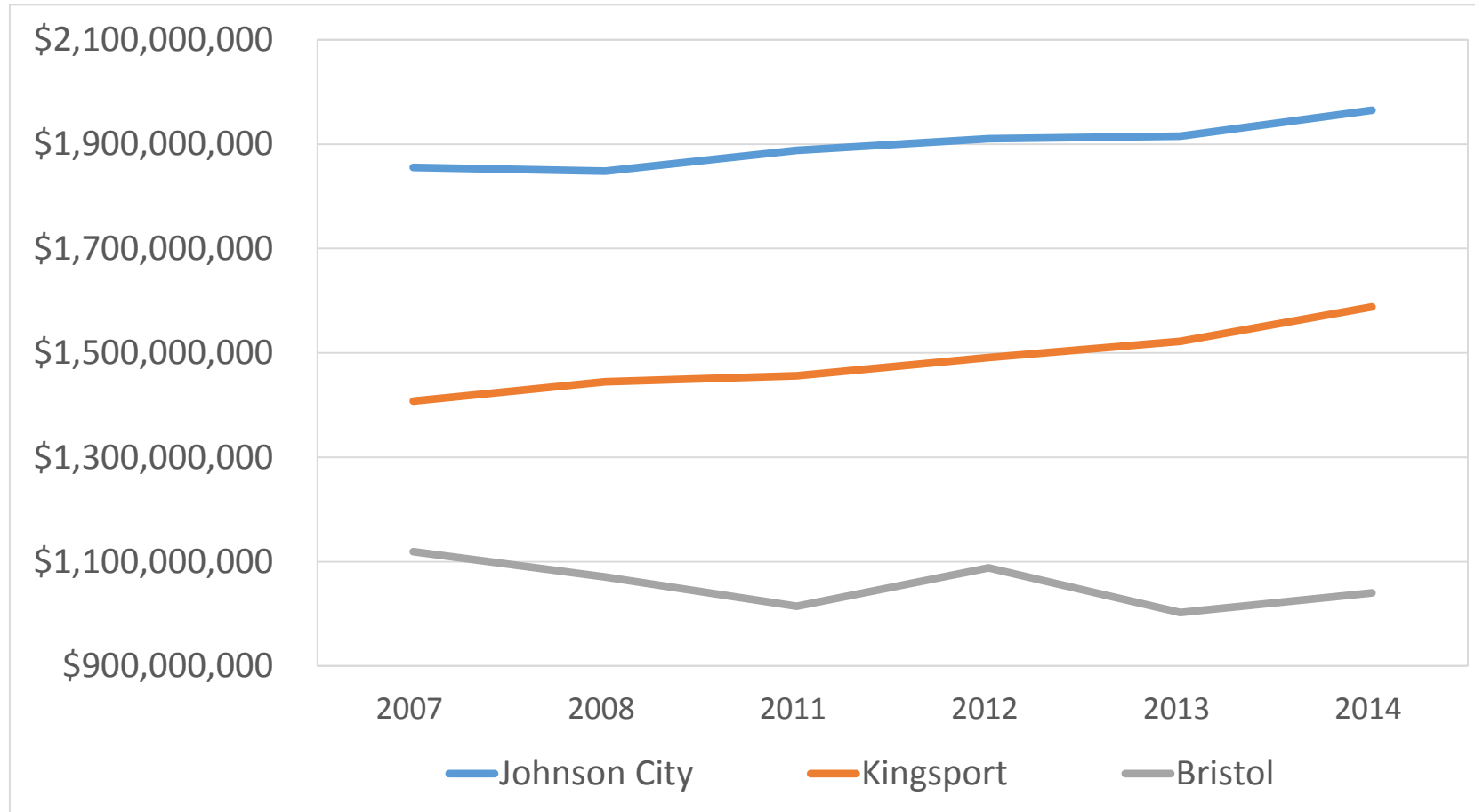


Sales Tax: Total Retail Sales

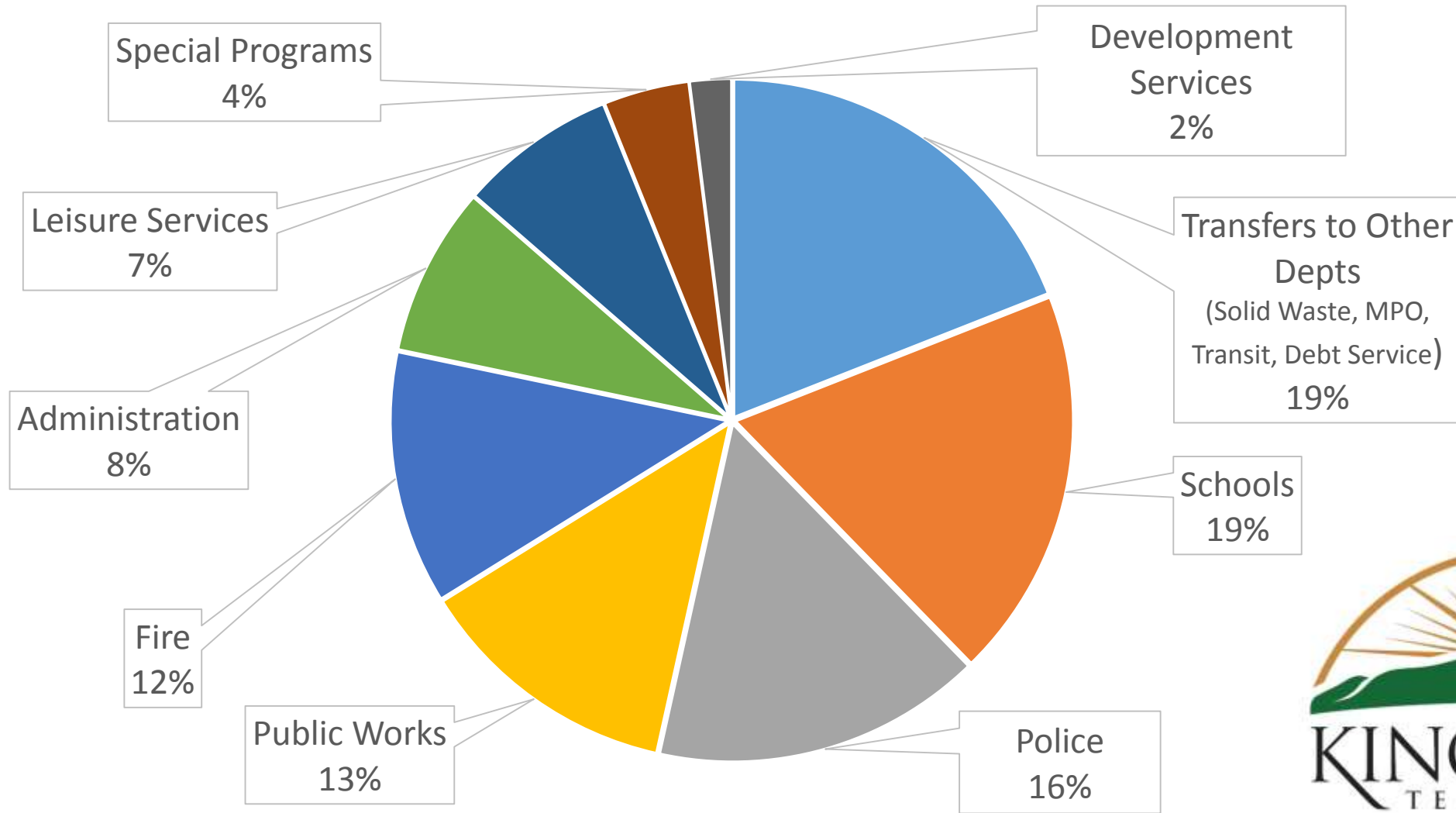
Kingsport's total sales increased \$180 million from \$1.41B to \$1.59B from 2007 to 2014 (Commons & Pavilion total \$100m new sales)

Bristol's sales decreased \$80 million from \$1.12B to \$1.04B. Expected to improve with Pinnacle & Falls

Johnson City's sales increased by \$110 million from \$1.85B to \$1.96B



Expenditures: Where is the \$73.1 million spent?



Current Special Programs	Actual	Actual	Budget	Request	Approved
	FY04	FY14	FY15	FY16	FY16

Discretionary Contributions

Arts Guild	\$0	\$2,000	\$1,800	\$4,000	\$1,800
KingsportARTS	\$5,000	\$7,000	\$6,300	\$6,300	\$6,300
Children's Advocacy Center	\$5,900	\$6,000	\$5,400	\$5,400	\$5,400
Symphony of the Mountains	\$2,000	\$5,000	\$4,500	\$7,500	\$4,500
Kingsport Ballet	\$0	\$5,000	\$4,500	\$4,500	\$4,500
Second Harvest Food Bank	\$0	\$10,000	\$0	\$10,000	\$0
Kingsport Theatre Guild	\$3,000	\$5,000	\$4,500	\$8,000	\$4,500
Total	\$15,900	\$40,000	\$27,000	\$45,700	\$27,000

Partnerships					
KHRA Redevelopment	\$66,000	\$63,800	\$33,800	\$67,000	\$33,800
Keep Kingsport Beautiful	\$25,600	\$47,000	\$42,300	\$47,000	\$42,300
DKA/PEAK	\$40,000	\$115,000	\$117,500	\$150,000	\$117,500
Move to Kingsport.Com	\$0	\$55,000	\$49,500	\$55,000	\$49,500
Downtown Concert Series	\$0	\$75,750	\$0	\$0	\$0
KOSBE (Chamber of Commerce)	\$300,000	\$110,000	\$99,000	\$110,000	\$99,000
Healthy Kingsport	\$0	\$0	\$54,000	\$60,000	\$54,000
Total	\$431,600	\$466,550	\$396,100	\$489,000	\$396,100

Commitments/Contracts

First TN Dev. District	\$1,687	\$4,281	\$4,300	\$4,300	\$4,300
First TN Human Resources	\$10,900	\$10,900	\$9,800	\$10,900	\$9,800
GED Program Sullivan Co.	\$0	\$4,261	\$11,700	\$11,700	\$11,700
Educate & Grow	\$700	\$0	\$3,600	\$3,600	\$3,600
SBK Animal Shelter	\$34,000	\$165,800	\$165,800	\$215,800	\$215,800
Holston Business Development	\$60,000	\$30,000	\$27,000	\$30,000	\$27,000
TIF - East Stone Commons (Expires 4/16/16)	\$0	\$198,325	\$198,400	\$199,300	\$199,300
TIF - Crown Point (Expires 3/31/21)	\$0	\$51,888	\$51,900	\$55,400	\$55,400
TIF - Riverwalk Project (ongoing)	\$0	-\$12,206	\$25,000	\$20,000	\$20,000
TIF - Downtown Project (ongoing)	\$0	-\$213,669	\$130,000	\$130,000	\$130,000
Total	\$107,287	\$239,580	\$627,500	\$681,000	\$676,900

Expenditures: Special Programs

No increase in
discretionary contributions
or partnerships

Minor increase in
contractual commitments
(KEDB & Animal Shelter)



Expenditures: Special Programs (continued)

Current Special Programs	Actual	Actual	Budget	Request	Approved
	FY04	FY14	FY15	FY16	FY16

NETWORKS

NETWORKS	\$0	\$215,200	\$215,200	\$215,200	\$215,200
NETWORKS Debt Service	\$0	\$237,890	\$239,900	\$213,600	\$213,600
Total	\$0	\$453,090	\$455,100	\$428,800	\$428,800

KEDB

KEDB Admin Fees	\$0	\$30,000	\$30,000	\$30,000	\$30,000
KEDB (Deals)	\$0	\$0	\$25,000	\$25,000	\$25,000
KEDB (Press/MRP) (Expires 2017)	\$0	\$120,000	\$120,000	\$120,000	\$120,000
KEDB General Shale Lease	\$0	\$38,804	\$120,000	\$120,000	\$120,000
KEDB (Winery)	\$0	\$0	\$0	\$75,000	\$75,000
KEBB (C&F Automotive)	\$0	\$0	\$0	\$76,800	\$76,800
KEDB-Armory Property	\$0	\$60,000	\$26,400	\$26,400	\$26,400
Total	\$0	\$248,804	\$321,400	\$473,200	\$473,200

KCVB

KCVB	\$642,689	\$1,026,909	\$950,000	\$1,000,000	\$1,000,000
Total	\$1,197,476	\$2,474,934	\$2,777,100	\$3,117,700	\$3,002,000

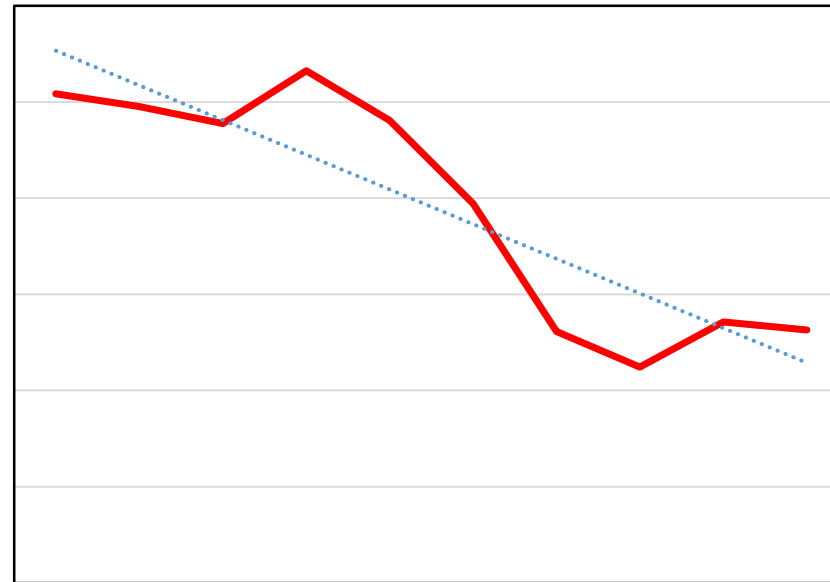
No increase in
discretionary contributions
or partnerships

Minor increase in
contractual commitments
(KEDB & Animal Shelter)



Employees Per Capita = Doing More With Less

	Population	FTE	FTE per capita
2005	44,070	685	0.0155
2006	44,130	683	0.0155
2007	44,191	680	0.0154
2008	44,435	696	0.0157
2009	45,763	705	0.0154
2010	47,356	709	0.0150
2011	49,275	705	0.0143
2012	50,561	714	0.0141
2013	51,264	736	0.0144
2014	51,274	734	0.0143



*Full Time Equivalent City Employees (not including schools)



Budget Request 2015-16

- No new positions, no reinstatement of previous cuts unless department heads eliminated/consolidated and reallocated:
 - Police
 - Code Enforcement
 - Finance
 - Lynn View hours restored July 1
 - 911 Building
 - Animal Shelter (match County increase)
 - Library



Budget Request 2015-16 (continued)

- Pre-planned increase to fund balance (rainy day fund)
 - This is a minimum, will hopefully be more at year end
- Pre-planned cash increase to paving
 - Builds on momentum from last year's unprecedented contribution
- Modifications to employee health insurance for long term stability
- Increase city contribution to employee health insurance
- Fund merit-based employee step increases

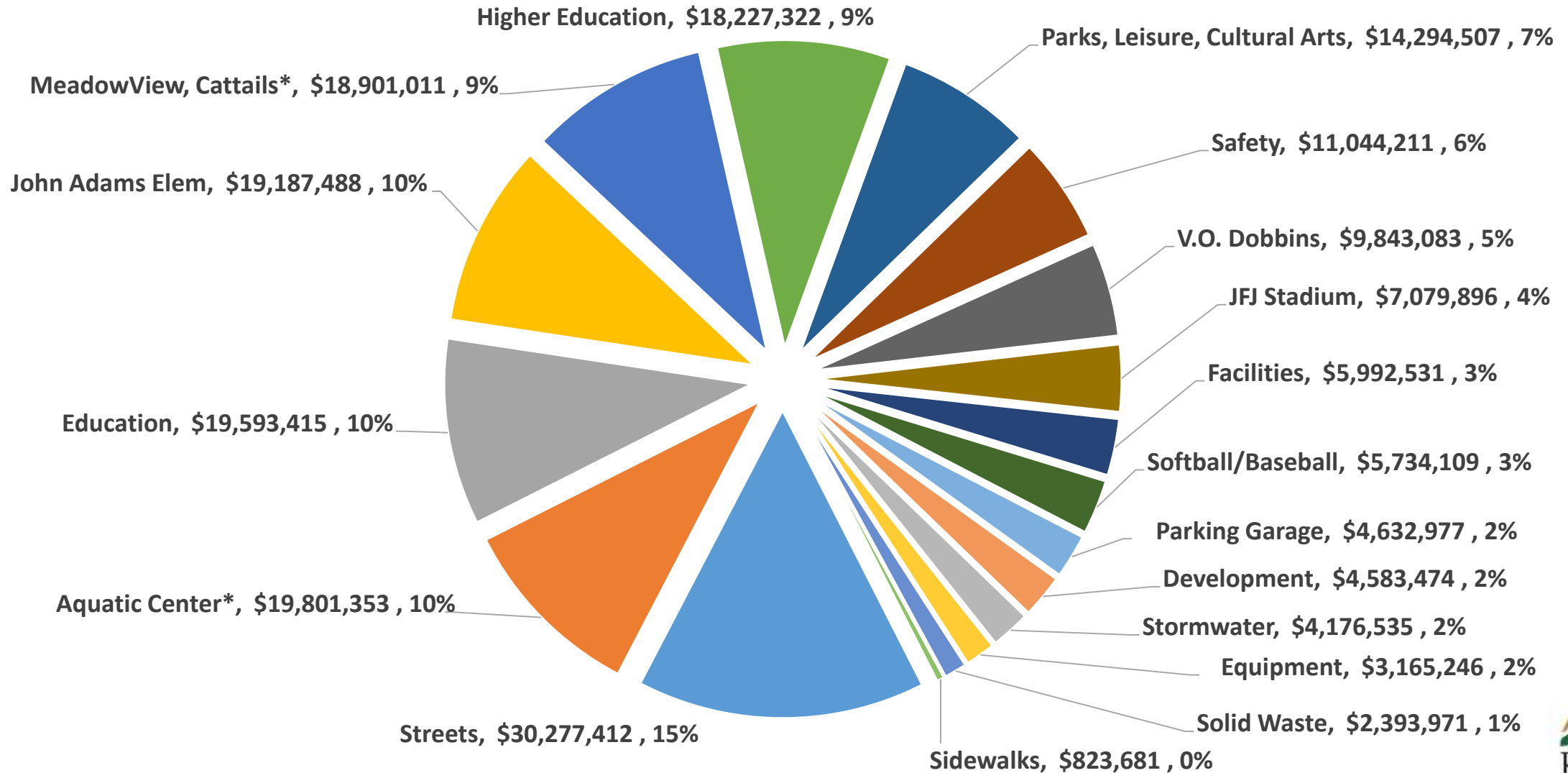


10-Year History of Capital Improvement Projects

\$199.7 million

City of Kingsport, Tennessee

*Funded by Regional Sales Tax



Debt: Positive Bond Rating, High Grade

	Moody's	S&P	Fitch	Meaning
Investment Grade	Aaa	AAA	AAA	Prime
	Aa1	AA+	AA+	High Grade
	Aa2	AA	AA	
	Aa3	AA-	AA-	
	A1	A+	A+	Upper Medium Grade
	A2	A	A	
	A3	A-	A-	
	Baa1	BBB+	BBB+	Lower Medium Grade
	Baa2	BBB	BBB	
	Baa3	BBB-	BBB-	
Junk	Ba1	BB+	BB+	Non Investment Grade Speculative
	Ba2	BB	BB	
	Ba3	BB-	BB-	
	B1	B+	B+	Highly Speculative
	B2	B	B	
	B3	B-	B-	
	Caa1	CCC+	CCC+	Substantial Risks
	Caa2	CCC	CCC	Extremely Speculative
	Caa3	CCC-	CCC-	In Default w/ Little Prospect for Recovery
	Ca	CC	CC+	
		C	CC	
			CC-	In Default
	D	D	DDD	

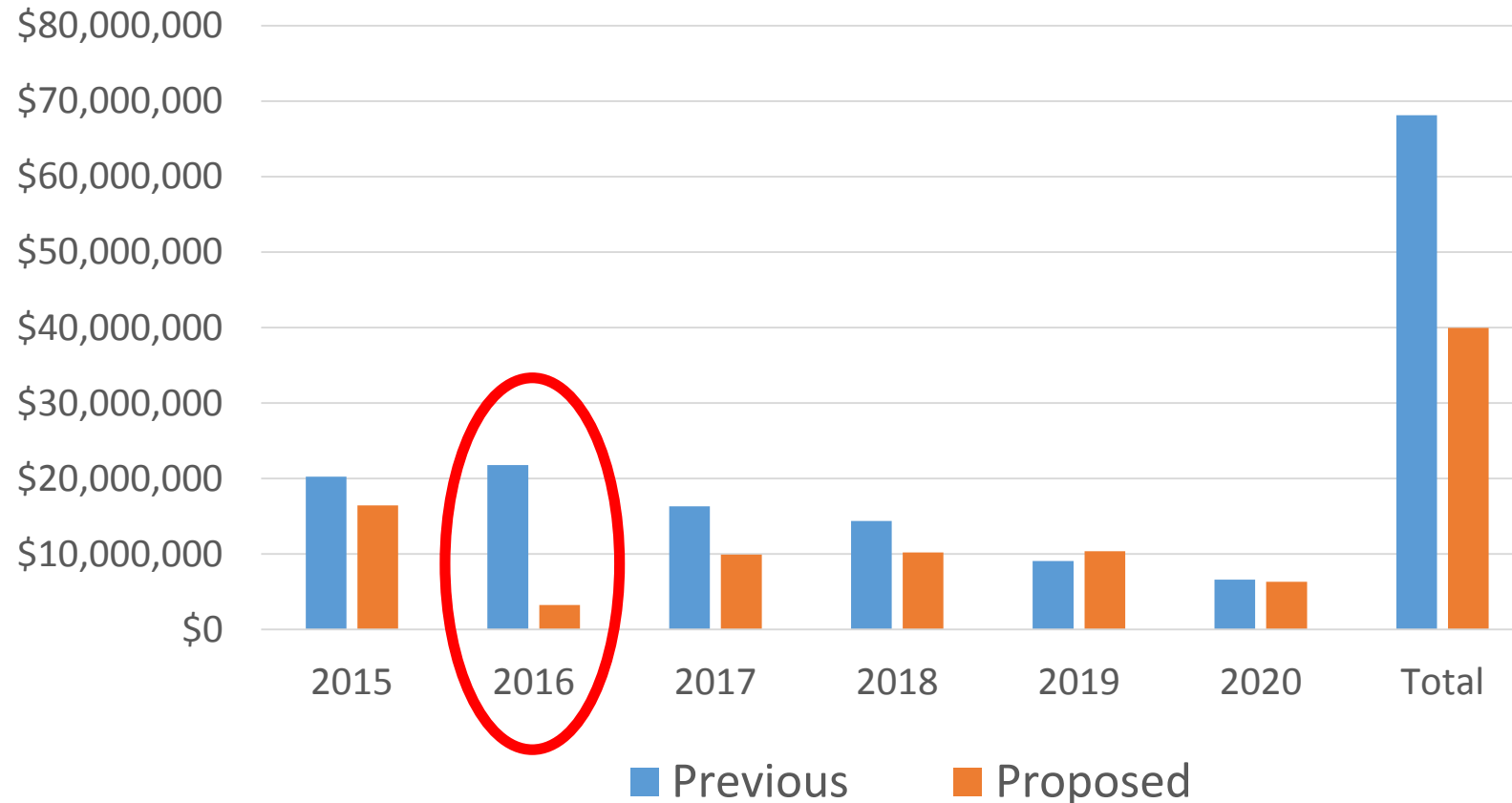
↑ Kingsport's bond rating improved from A1 (Upper Medium Grade) to Aa3 to Aa2 (High Grade) since 2009



FY16-20 Capital Improvements Plan (Borrowing)

Funded within debt service roll-off

	2015	2016	2017	2018	2019	2020	Total	
FY15	\$20,240,000	\$ 21,786,075	\$ 16,318,635	\$ 14,355,350	\$ 9,061,300	\$ 6,603,900	\$ 68,125,260	Previous
FY16	\$16,440,000	\$ 3,234,500	\$ 9,900,000	\$ 10,184,900	\$ 10,338,300	\$ 6,291,100	\$ 39,948,800	Proposed
							\$ 28,176,460	Reduction



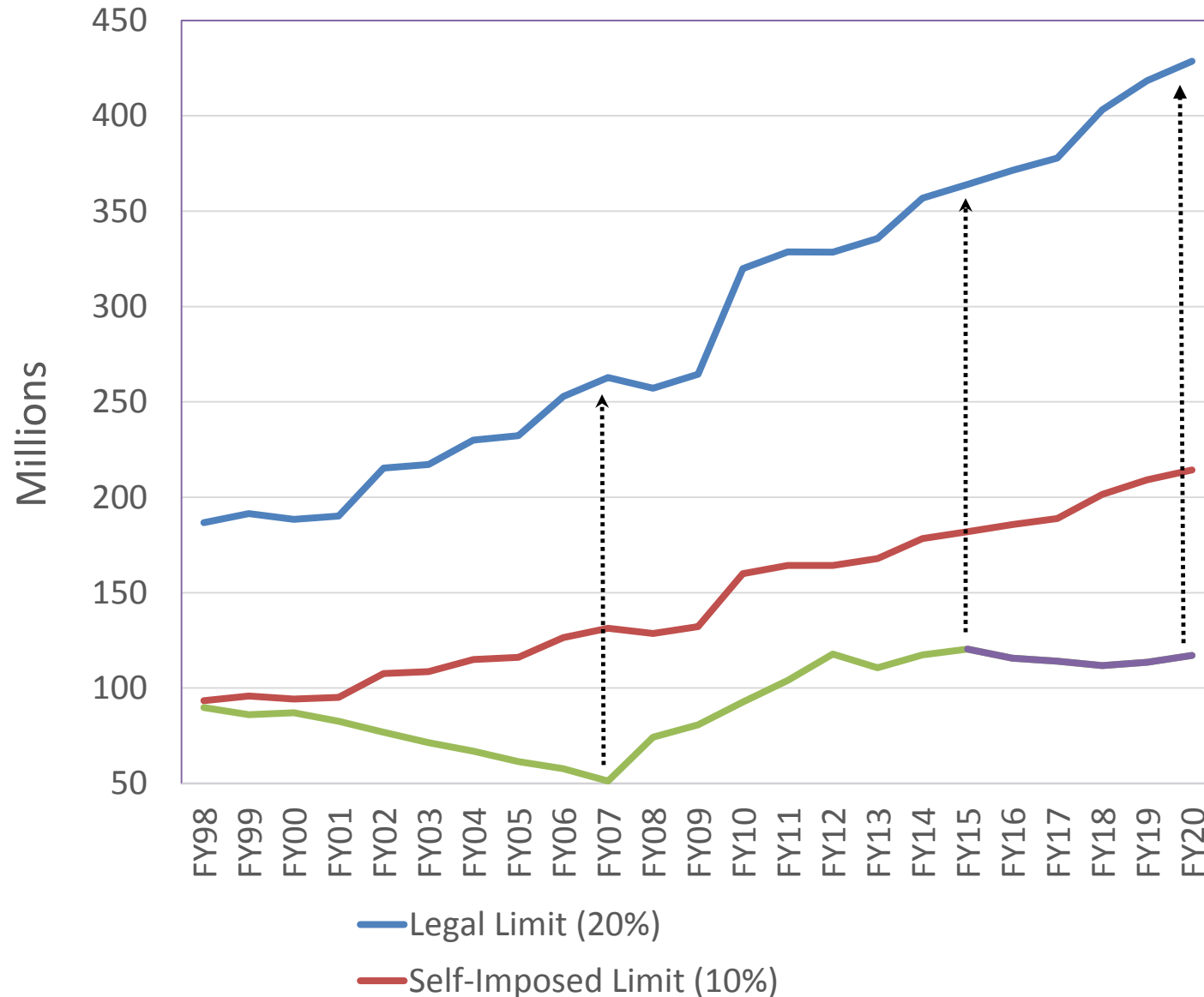
Ratio of Debt to Assessed Value

FY98 = 9.6%

FY07 = 3.9%

FY15 = 6.6%

FY20 = 5.5%

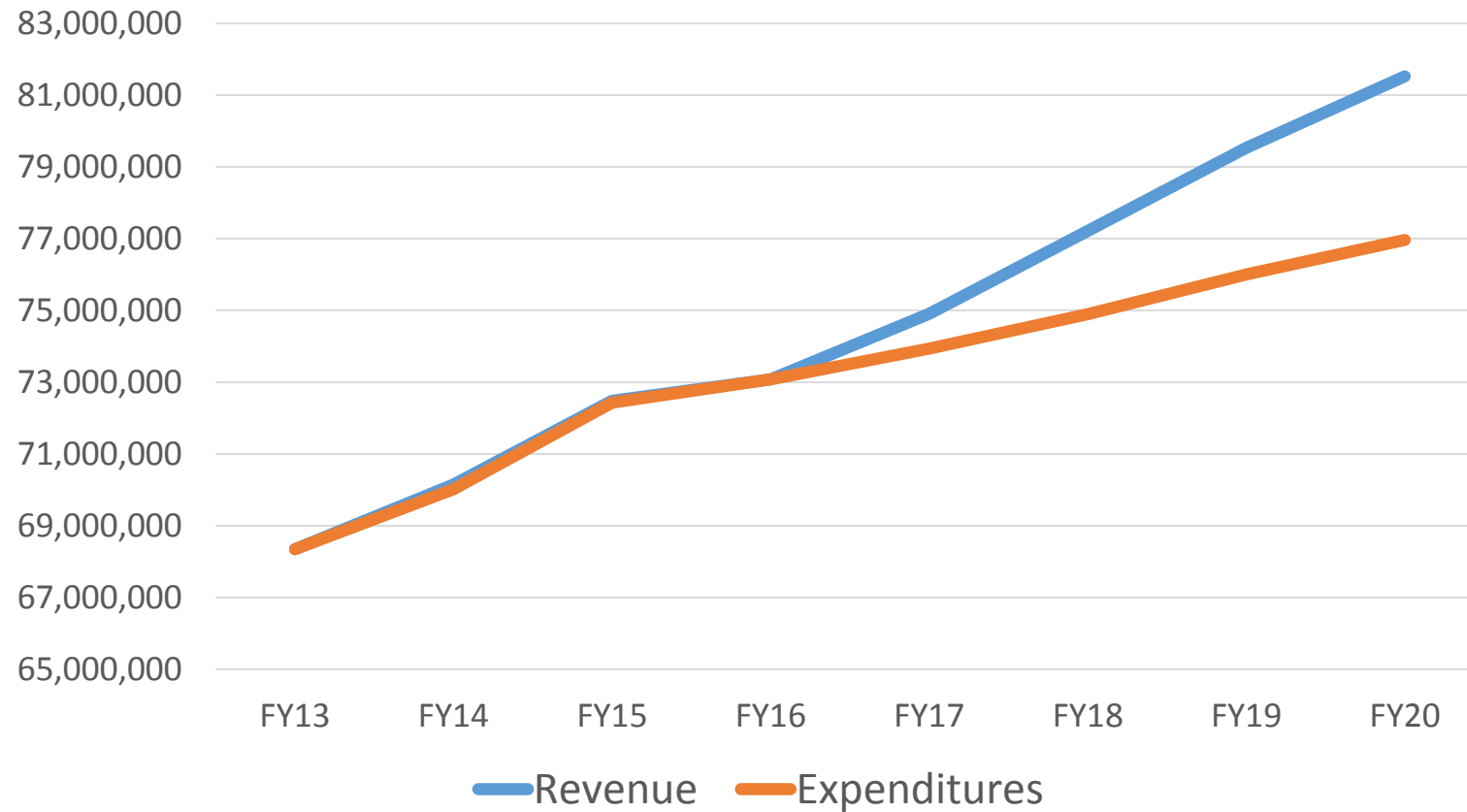


Capital Improvements Program (CIP) FY2016

- \$3.234 million constrained CIP
 - Debt service payment must fit into overall general fund budget without a tax increase
- \$1,500,000 for landfill cell (required)
- \$350,000 school facility needs (HVAC, roofs, carpet, etc.)
- \$350,000 city facility needs (HVAC, roofs, carpet, etc.)
- \$298,000 library renovations (“small starts” in lieu of new \$12 million library)
- \$250,000 to complete engineering building relocation
- \$170,000 Greenbelt (required for Governor’s grant match)
- \$160,000 fire equipment for KFD ladder truck
- \$89,000 technology needs for city departments
- \$67,000 street lights (required by annexation plan of service)



Expenditures v Revenue – History & Projected



With discipline,
our financial
outlook will
continue to
improve



Kingsport City Schools

FY 2015-2016 Budget Presentation

To: City of Kingsport
Board of Mayor and Aldermen

May 12, 2015



FY 2015-16 BUDGET



- Revenue
 - BEP Funds
 - We have received the April Estimate of BEP funds. The estimate is \$25,888,000. This is \$299,000 below our estimated amount.
 - Property Taxes (Sullivan and Hawkins Counties)
 - The current estimate of \$16,730,000 is an increase of \$321,600 over this year's estimate.

FY 2015-16 BUDGET



- Revenue
 - Sales Tax
 - The estimate of \$8,432,000 is \$392,000 more than the current year estimate of \$8,040,000.
 - Other County Revenues
 - Prior year property taxes, interest and penalties, pick-up taxes, and other taxes have been increased a net amount of \$130,000.
 - Fund Balance Appropriation
 - \$235,000



FY 2015-16 BUDGET

- Revenue Summary

Current FY 16 Revenue Estimate	\$68,616,567
Revised FY 15 Revenue Estimate	67,297,500
Increase	\$ 1,319,067

An increase of \$1,319,067 is a 1.96% increase.



FY 2015-16 BUDGET

• Expenditures - Step Increases	
– Teachers	\$463,000
– Classified	172,000
 Total Costs of Step Increases	 \$635,000

FY 2015-16 BUDGET



- Expenditures - Salary Improvements

– Increase Teacher Minimum Pay	\$ 92,000
– Increase Teacher Steps by \$50	70,500
– Teacher \$500 COLA	302,000
– Classified 1% COLA	85,700

Total Salary Improvements	\$ 641,600
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Total Amount for Pay Increases	\$1,276,600
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FY 2015-16 BUDGET

- Other Personnel Increases

– Teacher Positions (6)	\$390,000
– Nursing Pay Increase	35,000
– Special Education Assistants (2)	44,000
– Technology Support Specialist (1)	41,400

Total Other Personnel Increases	\$510,400
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Enrollment History

Year	Enrollment	Change
2006	6197	N/A
2007	6276	79
2008	6251	-25
2009	6163	-88
2010	6296	133
2011	6397	101
2012	6485	88
2013	6651	166
2014	6869	218
2015	6917	48
Ten Year Increase		720



FY 2015-16 BUDGET

- Other Increases

– Increased Funding for 1 to 1 (Student Computer Purchase)	\$181,667
– Vehicle Maintenance	138,100
– Maintenance Expenses	27,000
– Electricity	40,000
– Trustee's Commission	25,000

Total Other Increases	\$411,767
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FY 2015-16 BUDGET

- Budget Summary

Current FY 16 Budget	\$68,616,567
Revised FY 15 Budget	67,297,500
Increase	\$ 1,319,067

An increase of \$1,319,067 is a 1.96% increase.

Active Employees Health Insurance

Estimated Revenue - At his time there is no change in the rates being recommended.

- Employer Contributions

– \$235,000*24	\$5,640,000
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- Employee Contributions

– \$100,000*24	2,400,000
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Total Estimated Revenue	\$8,040,000
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Active Employees Health Insurance



Expenditures

- Meritain Administration Fees \$ 265,000
- Aetna Stop-Loss Insurance 680,000
- Consultant Fee 93,000
 - Plan Oversight \$ 50,000
 - Employee Benefits 33,000
 - Actuarial 10,000
- ACA Fees 115,000
 - Transitional Re-Insurance Fees \$111,500
 - PECORI Fees 3,500

Active Employees Health Insurance

Expenditures

• Claim Expenses	\$6,000,000
• Clinic Expenses	518,000
– Administration	\$200,000
– Personnel	180,000
– Drugs	90,000
– Supplies	48,000
• Transfer to Retiree Fund	369,000
Total Expenditures	\$8,040,000



Retirees Health Insurance



Estimated Revenue - At his time there is no change in the rates being recommended.

• Employer Contributions	
– \$34,000*12	\$408,000
• Retiree Contributions	
– \$17,000*12	204,000
• Transfer from Active Fund	369,000
Total Estimated Revenue	\$981,000

Retiree Health Insurance



Expenditures

• Meritain Administration Fees	\$ 42,000
• Aetna Stop-Loss Insurance	78,000
• Claim Expenses	850,000
• ACA Fees	11,000
– Transitional Re-Insurance Fees	\$10,500
– PECORI Fees	500
Total Expenditures	\$ 981,000

School Nutrition Services Fund

- The budget for 2015-2016 totals **\$3,765,500**.
- There is no meal price change recommended for FY 15-16.
- Revenues include \$2,222,800 in Federal Reimbursements and \$1,048,200 in Charges for Meals, and \$226,000 in Fund Balance Appropriations.
- Expenditures include \$1,497,400 for salaries and benefits, \$1,864,500 for food and supplies, and \$365,000 for capital outlay.

Federal Projects Fund



• Title I	\$1,807,702
• Consolidated Administration	132,000
• Title II	314,726
• Title III	9,354
• I.D.E.A. Part-B	1,514,871
• I.D.E.A. Pre-School	37,795
• Carl Perkins	<u>118,076</u>
Total	<u>\$3,934,524</u>

School Special Projects Fund

• Coordinated School Health	\$ 123,050
• Family Resource Center	50,000
• Homeless Education	51,000
• Lottery After-School Grant	250,000
• State Pre-School Grants	491,322
• Safe Schools	49,690
• Truancy Intervention	<u>53,720</u>
Total	<u>\$1,068,782</u>

FY 2015-16 Budget Summary

• General Purpose School Fund	\$68,616,567
• Active Employees Health Insurance Fund	8,040,000
• Retiree Health Insurance Fund	981,000
• School Nutrition Fund	3,765,500
• Federal Projects Fund	3,934,524
• School Special Projects Fund	1,068,782

Total All School Funds	\$86,406,373
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Integrated Water Resources

FY 2016 Budget Presentation



Common Goal

**Integrated
Water**

***Where are we
going?***

**Strategic
Plans**

***How do we
get there?***

Master Plans

CIP and Operating Budgets

**Drinking
Water**

Wastewater

Stormwater



Drinking Water – Strategic Plan

- **Performance Mgmt.**
 - Computerized Maintenance Management System
 - EPA Partnership for Safe Drinking Water
 - Certifications
- **Continuous Improvement**
 - Leak Detection
 - Cross Connection
 - Valve Maintenance
 - Master Plans
- **Communication**
 - Social Media
 - Cassidian Contact
 - Consumer Confidence Reports
- **Employee Safety**
 - Training
 - Gear/Attire
 - Equipment Specifications

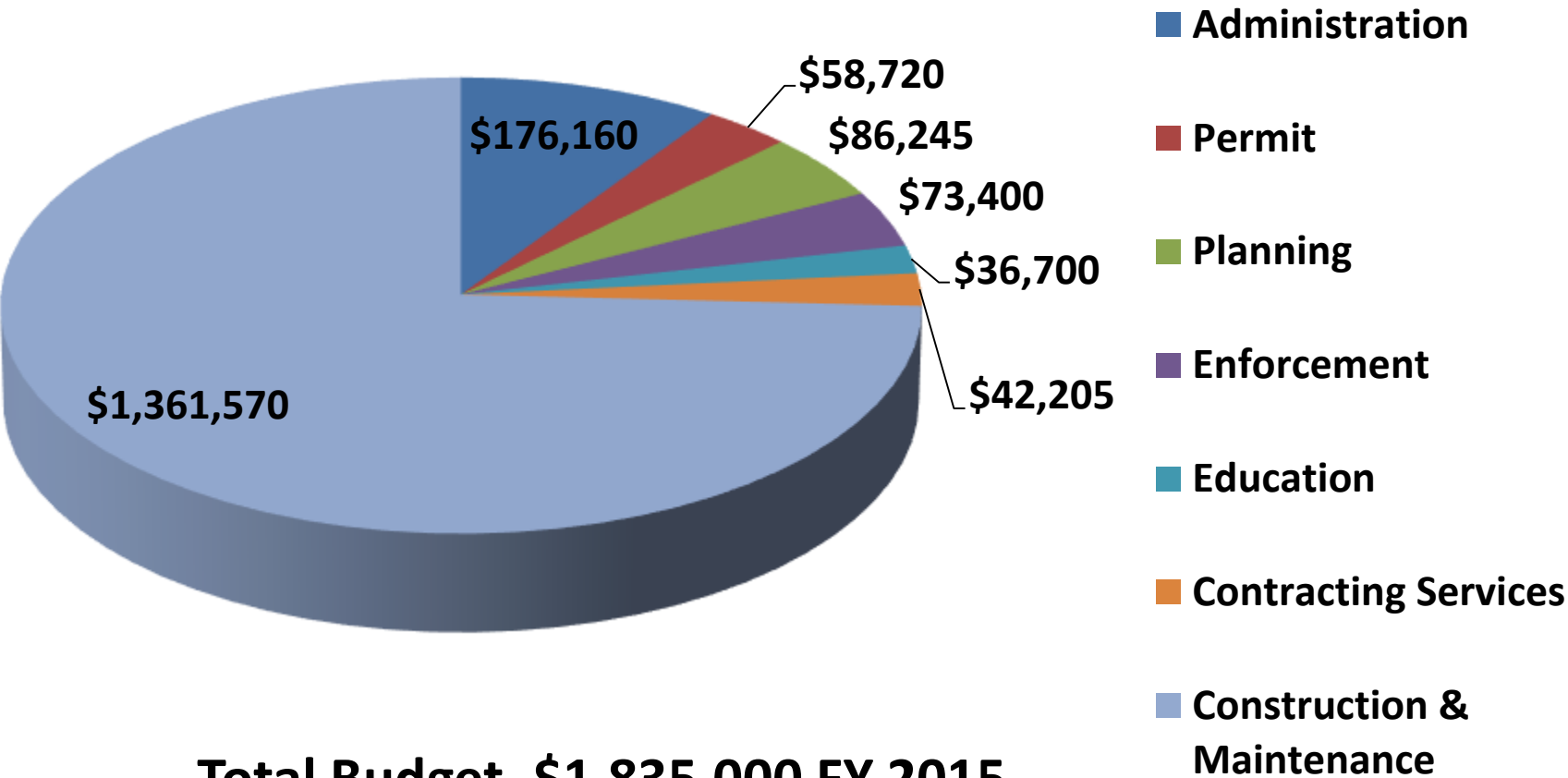
Wastewater – Strategic Plan

- **Performance Mgmt.**
 - Capacity, Management, Operations, & Maintenance - CMOM
 - CMMS
 - Certifications
 - Peak Performance Award - NACWA
- **Continuous Improvement**
 - Line Inspections
 - Fats, Oils and Grease
 - SLS Telemetry
 - SLS Generators
 - Master Plans
- **Communication**
 - Social Media
 - Cassidian Contact
 - Consumer Confidence Reports
- **Employee Safety**
 - Training
 - Gear/Attire
 - Equipment Specifications

Stormwater – Strategic Plan

- **Performance Mgmt.**
 - **NPDES Permit Compliance**
 - Public Outreach & Education
 - Public Involvement
 - Illicit Discharge Detection & Elimination
 - Pollution Prevention for Municipal Operations
 - Construction Site Runoff
 - Post Construction Runoff
 - **Certifications**
- **Continuous Improvement**
 - **Project Implementation**
 - **Mapping**
 - **Maintenance**
- **Communication**
 - **Social Media**
 - **Cassidian Contact**
 - **Consumer Confidence Reports**
- **Employee Safety**
 - **Training**
 - **Gear/Attire**
 - **Equipment Specifications**

Stormwater Financial Picture



Drinking Water – Master Plan



Volume 1

May 2011

Kingsport Water Distribution System Master Plan

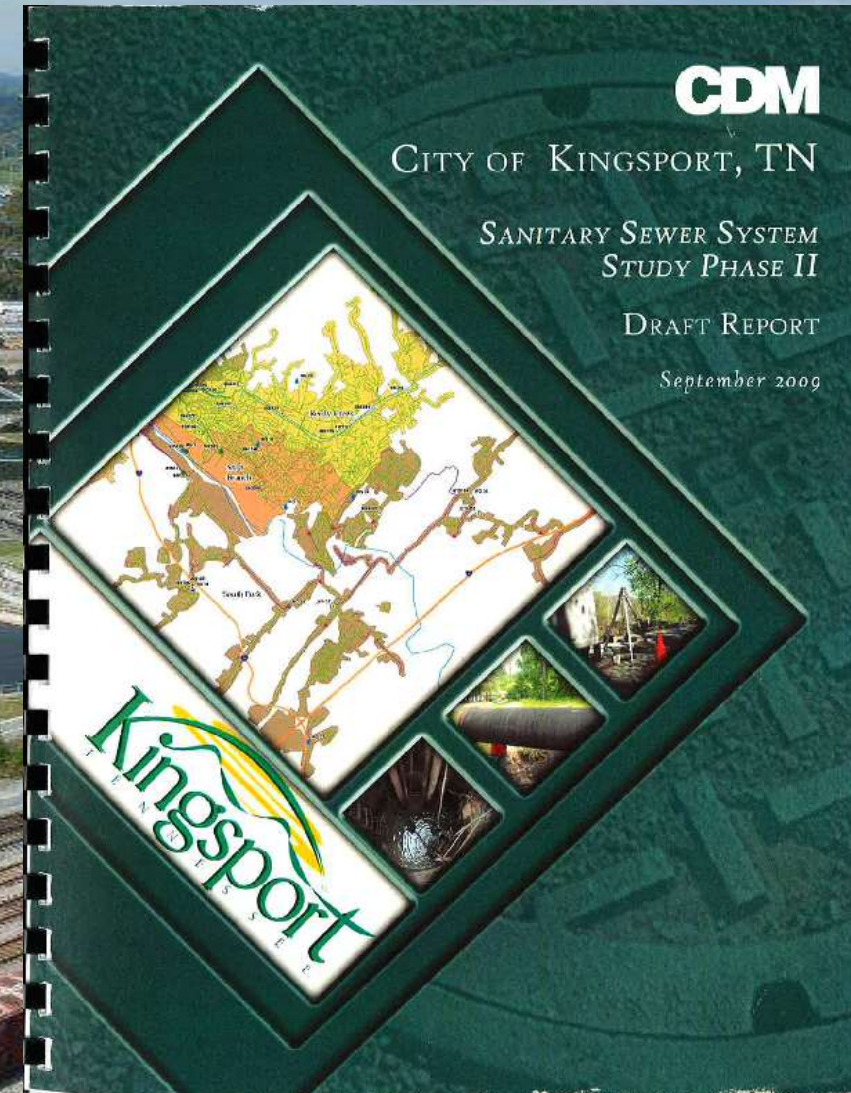
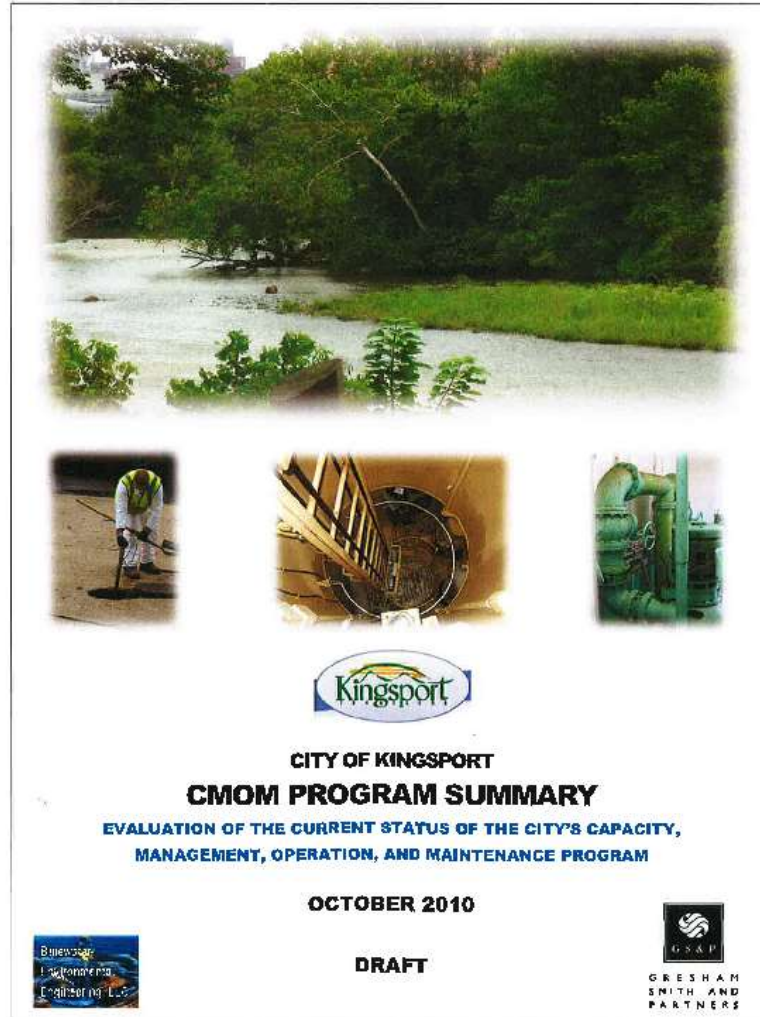
Kingsport Water Treatment Plant Master Plan

HAZEN AND SAWYER
Environmental Engineers & Scientists

ER
ntists



Wastewater Master Plan



Stormwater – Recent Projects

- **Coventry Wynde / Edens Ridge**
- **Lochwood Force Main**
- **Bays Cove**
- **Lincoln Street**
- **Martin Luther King**
- **Sourmash Drive**
- **Cloud Apartments**
- **Wabash**
- **Center Street (at Domtar)**
- **Center Street (at Reedy Creek Bridge)**
- **Tilthammer Road (in front of Domtar Converting Facility)**
- **Reedy Place (Cloud Park Vicinity)**
- **Wateree Street**
- **Rock Springs Road (in front of Community Center)**
- **Pendleton Place (upcoming)**
- **Lewis Lane near Bellingham Blvd**

Drinking Water CIP Chart

Water Fund Projects	Prior Years	Fiscal Year 15/16	Fiscal Year 16/17	Fiscal Year 17/18	Fiscal Year 18/19	Fiscal Year 19/20	Fiscal Year 20/21	Fiscal Year 21/22
Facilities								
WTP Chemical Feed	\$ 375		\$ 3,750					
WTP Facilities Improvements	\$ 1,200			\$ 1,200				
WTP Clearwell / High Service Pumps			\$ 1,017		\$ 8,475			
Tri County Tank Replacement			\$ 600					
Water Pump Station Improvements		\$ 125	\$ 125,	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125
Distribution System								
Master Plan Water Upgrades	\$ 1,530	\$ 1,730	\$ 1,880	\$ 1,510	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Beech Creek Water Extension	\$ 1,260			\$ 800		\$ 800		
Maintenance Facility Improvements		\$ 500						
Fire Protection & Water Age Upgrades				\$ 2,442				
Water Line Improvements		\$ 605	\$ 605	\$ 605	\$ 605	\$ 605	\$ 605	\$ 605,
Annexations								
Colonial Heights Water Upgrades	\$ 750							
Border Regions Water Upgrades				\$ 450				
Total		\$ 2,960	\$ 7,977	\$ 7,132	\$ 10,705	\$ 3,030	\$ 2,230	\$ 2,230

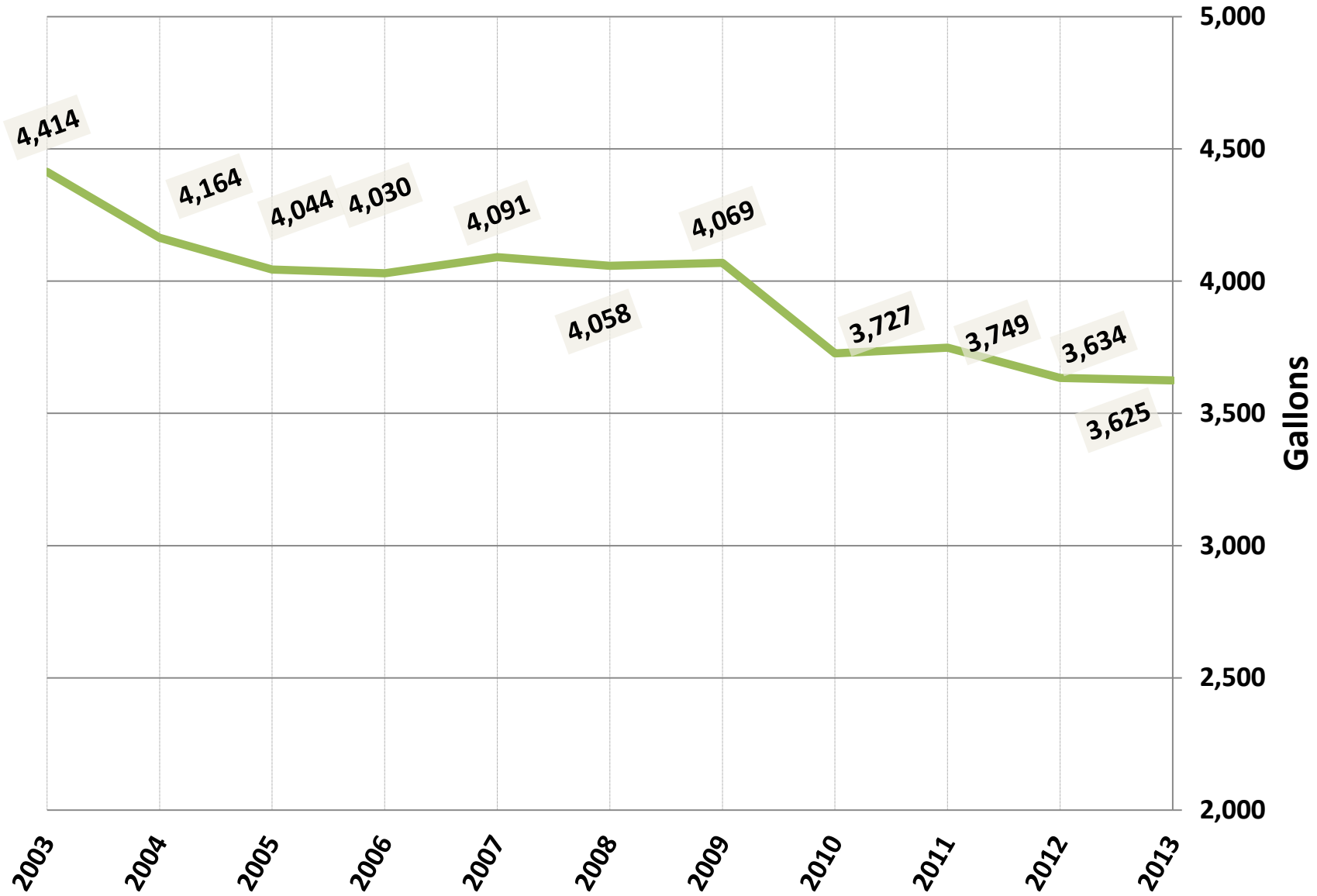
Wastewater CIP Chart

Sewer Fund Projects	Prior Years	Fiscal Year 15/16	Fiscal Year 16/17	Fiscal Year 17/18	Fiscal Year 18/19	Fiscal Year 19/20	Fiscal Year 20/21	Fiscal Year 21/22
Facilities								
System Improvements SLS	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 2,300	\$ 2,300
WWTP Equalization Basin			\$ 810	\$ 10,375				
WWTP MCC Replacement	\$ 500			\$ 500				
WWTP Blower Installation	\$ 495							
West Kingsport SLS Replacement			\$ 2,400					
Lift Station Telemetry		\$ 630						
Combination Sewer Cleaning Vehicle		\$ 300						
Pump Station Improvements		\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245
Collection System								
Miscellaneous Sewerline Rehab	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Reedy Creek Trunk Sewer	\$ 5,106	\$ 1,000			\$ 5,000	\$ 5,000		
Maintenance Facility Improvements		\$ 500						
Miscellaneous I&I Rehab							\$ 2,000	\$ 2,000
Sewer Line Improvements		\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Annexations								
Colonial Heights Sewer Extension	\$ 8,150	\$ 4,900	\$ 2,500					
Border Regions Sewer Extension				\$ 3,500				
Total		\$ 8,425	\$ 6,805	\$ 15,470	\$ 6,095	\$ 6,095	\$ 5,095	\$ 5,095

Stormwater CIP Chart

StmW Projects	Prior Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
Project		15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Reedy Creek Land	\$75	\$100	\$100	\$100	\$100	\$75	\$75	\$75	\$75	\$75
Horse Creek Land	\$50	\$50	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Madd Branch Improvements	\$25				\$110	\$110	\$110			
Existing Detention Pond Program		\$50	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30
Pendleton Place		\$65								
Sewer Camera/Trailer	\$100	\$20								
TDEC Stream Monitoring	\$50			\$85		\$95		\$100		\$105
Stormwater Infrastructure Improvements	\$250	\$65	\$275	\$200	\$270	\$215	\$310	\$320	\$420	\$315
Total	\$550	\$350	\$430	\$440	\$535	\$550	\$550	\$550	\$550	\$550

Average Consumption 2003-13



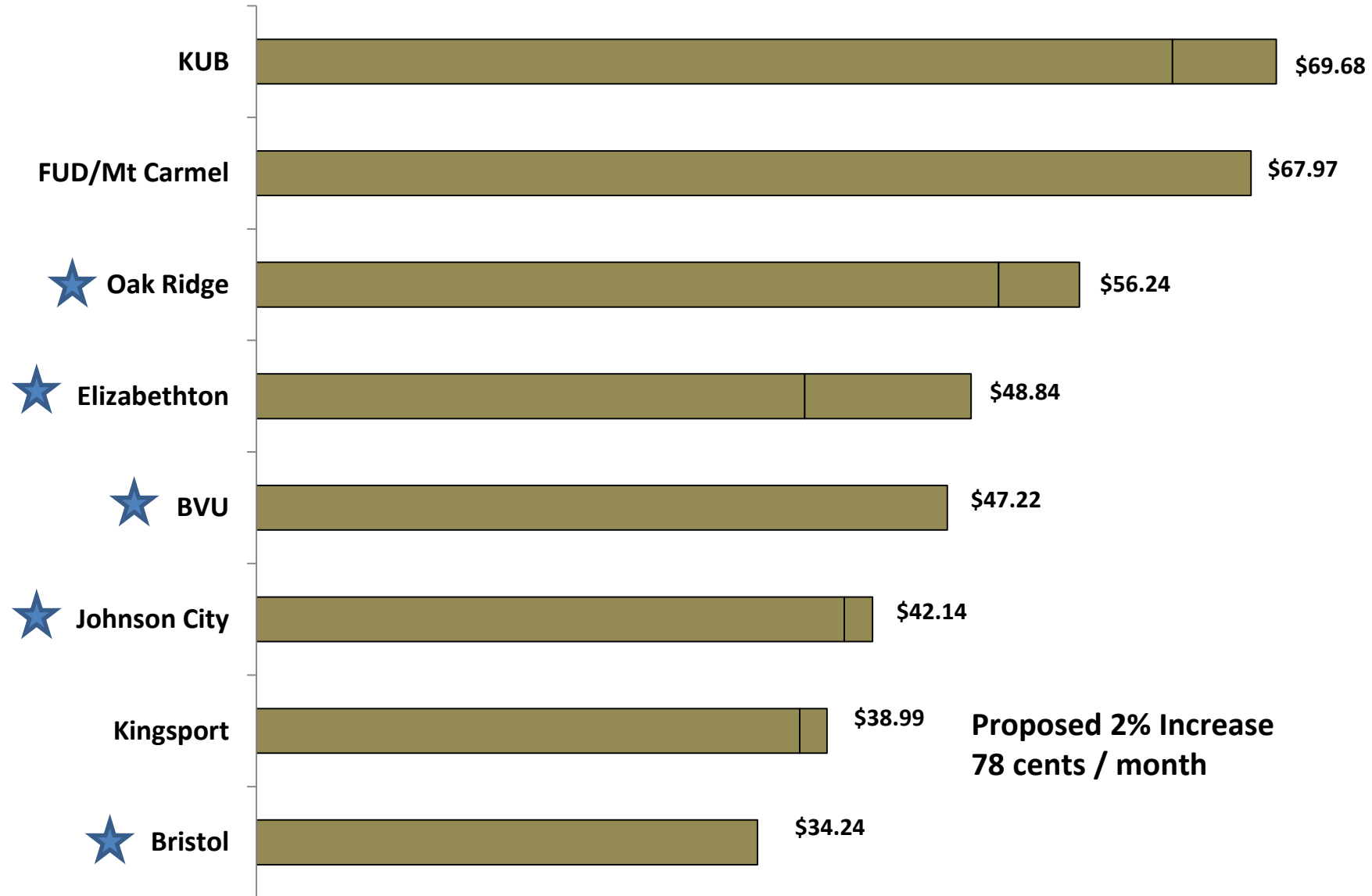
Cookeville's Typical Residential Water Bill
2014 Water Cost
(Cities with a Population Between 11,600-133,000 Shown)

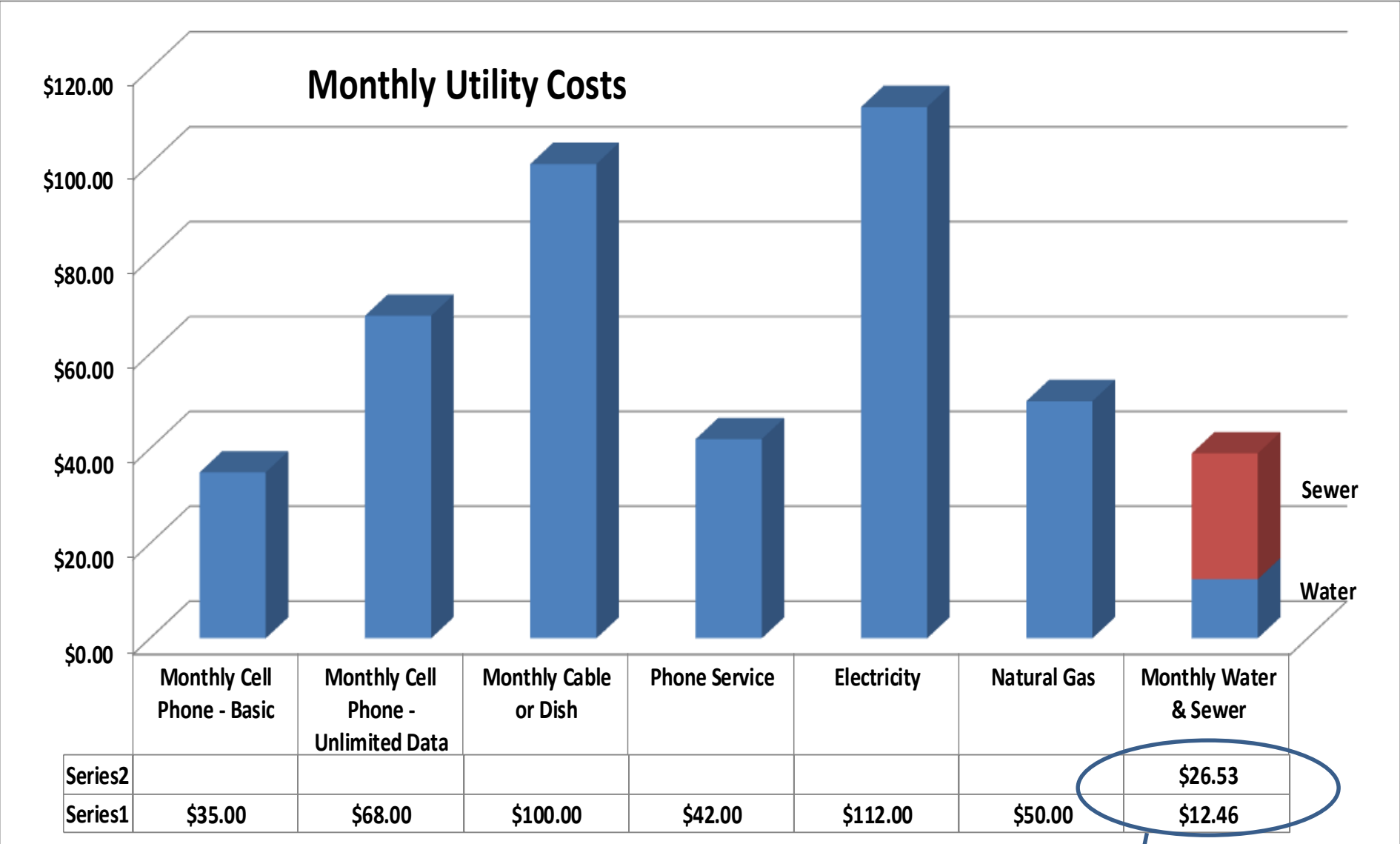


City	Population	Minimum Bill	Residential Usage 5,000 gallons
Germantown	38,844	\$8.78	\$8.78
Bartlett	54,613	\$5.80	\$11.20
Collierville	43,965	\$6.05	\$13.55
Kingsport	48,205	\$7.58	\$16.73
Bristol	26,702	\$6.98	\$18.70
Farragut	20,676	\$10.20	\$19.65
Tullahoma	18,655	\$5.50	\$19.65
Smyrna	39,974	\$10.45	\$20.20
Cookeville	31,154	\$4.10	\$20.40
Clarksville	132,929	\$3.00	\$20.70
Morristown	29,137	\$13.40	\$20.70
Spring Hill	32,576	\$9.80	\$20.87
Maryville	27,465	\$9.05	\$20.95
Columbia	34,681	\$9.50	\$21.75
Johnson City	63,152	\$4.46	\$21.81
Cleveland	41,285	\$7.44	\$22.21
Hendersonville	51,372	\$10.46	\$22.73
Athens	13,458	\$9.50	\$23.00
Sevierville	16,011	\$8.86	\$23.39
Gallatin	30,278	\$11.35	\$24.32
Dyersburg	17,145	\$4.94	\$25.39
East Ridge	20,979	\$13.96	\$26.38
Red Bank	11,651	\$13.96	\$26.38
Shelbyville	20,335	\$11.40	\$26.45
Murfreesboro	108,755	\$8.22	\$26.53
Springfield	16,440	\$12.72	\$27.30
Lavergne	32,588	\$15.44	\$27.41
Franklin	62,487	\$11.86	\$27.78
Brentwood	37,060	\$11.62	\$28.03
Oak Ridge	29,330	\$14.85	\$33.33
Jackson	65,211	\$10.84	\$33.45
Lebanon	26,190	\$10.37	\$35.96
Mt. Juliet	26,870	\$33.14	\$57.34
Average		\$10.17	\$24.03
Total Number of Water Systems Surveyed = 33			

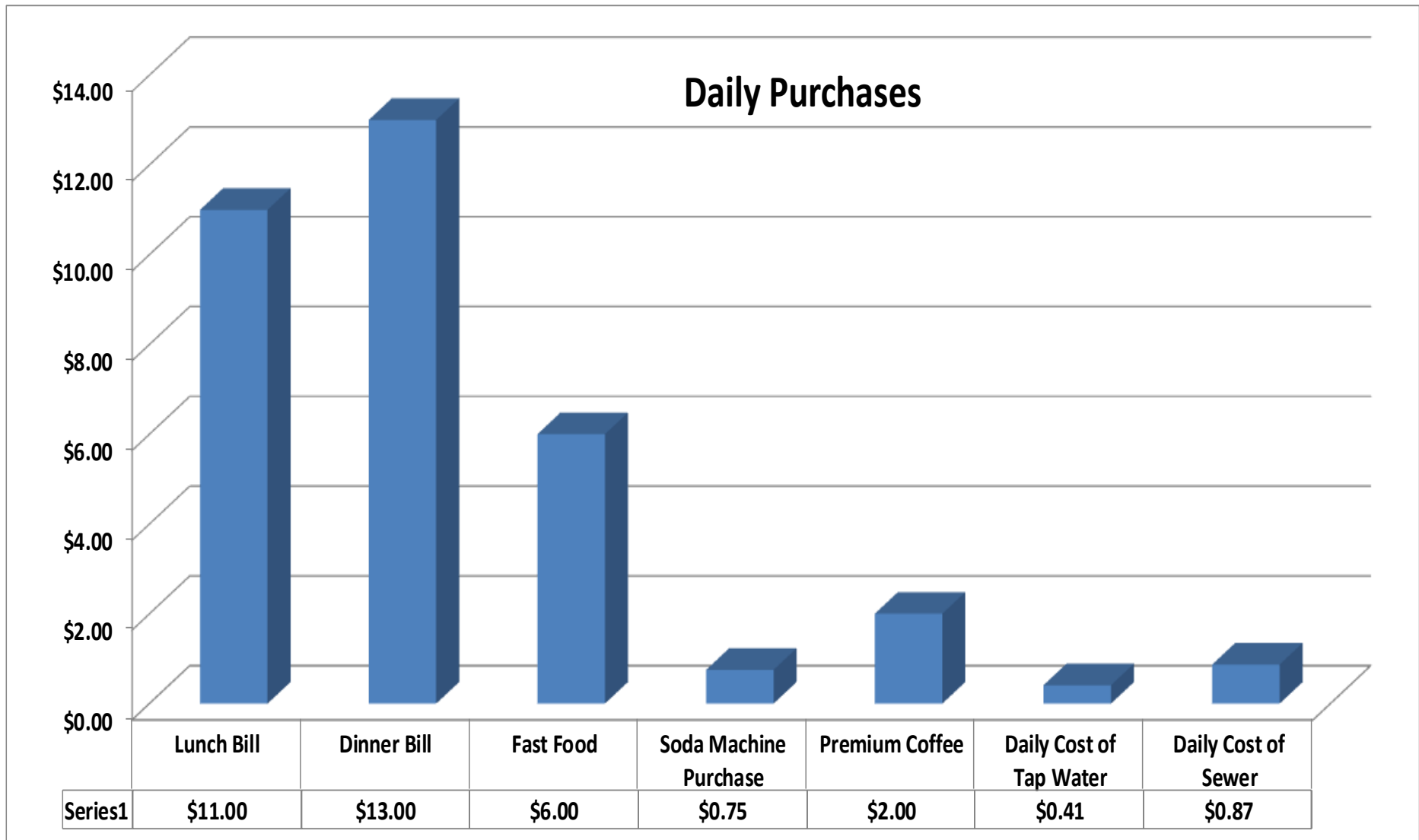
Jan. 2014 web page and phone survey

Average Combined Bill for Typical Inside Residential Customer (3,600 gals)





\$38.99





.....public health protection

In a world where more than 3.4 million people die every year from preventable waterborne disease, our water system assures that we can drink from any public tap with a high assurance of safety.

.....fire protection

One of the primary purposes of our water system is the suppression of fire. To protect against fire, our system must be maintained to assure necessary pressure and availability.



.....support of economic development

New businesses and housing developments cannot succeed without a safe and sustainable water supply. For most industry, tap water is critical to day-to-day operations, and is often a primary ingredient in the products they create.

.....quality of life

In North America, we take for granted that safe water is always accessible to drink, to wash our clothes, to water out lawns and for a myriad of other purposes. When water service is interrupted, we're all reminded of the extraordinary value of water.

Common Goal

Integrated
Water

*Where are we
going?*

Strategic
Plans

*How do we
get there?*

Questions?

CIP and Operating Budgets

Drinking
Water

Wastewater

Stormwater